SENATE

FRIDAY, JULY 5, 1957

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., July 5, 1957.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

The ACTING PRESIDENT pro tempore. Pursuant to the order of Tuesday last, the Senate will stand adjourned until noon on Monday.

Thereupon (at 12 o'clock and 12 seconds p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Monday, July 8, 1957, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 5, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we rejoice that Thou art always seeking to draw us within the compass and circuit of Thy divine love.

May the assurance of Thy gracious providence and the memory of Thy goodness hallow all the hours of this new day.

Grant that our beloved country, conceived in sacrifice and dedicated to liberty, may be faithful in its glorious mission of safeguarding the principles of democracy.

Inspire us with a faith that is strong and steadfast as we strive to preserve and perpetuate those freedoms and human rights which our forefathers fought so bravely to win.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Tuesday, July 2, 1957, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6191. An act to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7665. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1958, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. HAYDEN, Mr. RUSSELL, Mr. HILL, Mr. BYRD, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7238) entitled "An act to amend the public assistance provisions of the Social Security Act so as to provide for a more effective distribution of Federal funds for medical and other remedial care.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 943. An act to amend section 218 (a) of the Interstate Commerce Act, as amended, to require contract carriers by motor vehicle to file with the Interstate Commerce Commission their actual rates or charges for transportation service;

S. 944. An act to amend the act of August 30, 1954, entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes";

S. 977. An act to suspend and modify the application of the excess land provisions of the Federal reclamation laws to lands in the East Bench unit of the Missouri River Basin project;

S. 1383. An act amending section 410 of the Interstate Commerce Act, to change the requirements for obtaining a freight forwarder permit;

S. 1461. An act to amend section 212 (a) of the Interstate Commerce Act, as amended;

S. 1489. An act to amend title 14, United States Code, entitled "Coast Guard," with respect to warrant officers' rank on retirement, and for other purposes;

S. 1520. An act to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes";

S. 1971. An act to amend sections 4 (a) and 7 (a) of the Vocational Rehabilitation Act;

S. 2250. An act to amend the act of August 5, 1955, authorizing the construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes;

S. 2261. An act to amend and extend the Public Buildings Purchase Contract Act of 1954, as amended, and the Post Office Department Property Act of 1954, as amended, and to require certain distribution and approval of new public building projects, and for other purposes;

S. 2448. An act to authorize payment to the Government of Denmark; and

S. Con. Res. 39. Concurrent resolution providing for the printing as a Senate document and for additional copies of the report of the Commission on Government Security.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 609. An act to amend the act of June 24, 1936, as amended (relating to the collection and publication of peanut statistics), to delete the requirement for reports from persons owning or operating peanut-picking or threshing machines, and for other purposes.

S. 749. An act for the relief of Loutfie Kalil Noma (also known as Loutfie Siemon Noma or Loutfie Noama); and

S. 1054. An act to extend the times for commencing and completing the construction of a toll bridge across the Rainy River at or near Baudette, Minn.

SAN ANGELO FEDERAL RECLAMATION PROJECT—MINORITY VIEWS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. RHODES] be permitted to submit minority views on the bill (H. R. 2147) to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes, to be printed as part 2 of House Report No. 664.

The SPEAKER. Is there objection?

There was no objection.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL—CONFERENCE REPORT

Mr. WHITTEN submitted a conference report and statement on the bill (H. R. 7441) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1958, and for other purposes.

EXTENDING AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. GATHINGS submitted a conference report and statement on the bill (S. 1314) to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

PUBLIC ASSISTANCE MEDICAL CARE PROVISIONS

Mr. COOPER submitted a conference report and statement on the bill (H. R. 7238) to amend the public-assistance provisions of the Social Security Act so as to provide for a more effective distribution of Federal funds for medical and other remedial care.

HELLS CANYON DAM

Mrs. PFOST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, I rise to call the attention of the House to an

editorial from the New York Times of Sunday, June 30, which clearly spells out the issues involved in the Hells Canyon controversy. It is most heartening to me that this influential eastern newspaper makes such a strong and clear case for the enactment of legislation to authorize the high dam. The editorial is entitled "Hells Canyon: Last Call." It states:

The 10-year fight for a high Federal multipurpose dam at Hells Canyon on the Snake River is nearing its climax. Reversing its negative action of a year ago, the Senate has by a narrow margin now authorized Government construction of this project on the Idaho-Oregon border, and its proponents in the House are moving ahead rapidly to bring it to a vote there.

While the political aspects of the Hells Canyon battle are of gerat interest and played an important role in the strongly partisan Senate vote last week, this question ought to be decided on its merits, not on its politics. It involves several hundred millions of dollars in Federal expenditure as against considerably less in private funds. It involves a fully integrated Federal development of probably the finest dam site still available in the United States as against a private-power operation that almost certainly would produce fewer kilowatts at higher cost per kilowatt to the consumer. It involves the question of whether this major river resource should be retained in the hands of all the people, at the expense of all the people, or whether it should be turned over to private exploitation, at private cost and private profit. It also involves protection of incomparable scenic and natural-resource areas nearby that would be threatened by the need for finding additional water-storage sites unless the high Federal dam, with its greater scope and capacity, were erected.

We favor a Federal dam at Hells Canyon because on the evidence it appears to us that the Federal plan would be more comprehensive, would more fully take advantage of the potential resources in water and power, and would lead to maximum benefits to the public—first of all to the public of the Northwest but in the long run to the public of all America. The success of the earlier dams in the Columbia River Basin (of which the Snake forms a part) is too well known to repeat here; Hells Canyon would be the final large-scale member of this vital system. It is too valuable a resource to develop partially, inadequately, or haphazardly. That, in the long run, would be the most expensive kind of development for the public.

LEAD AND ZINC PRICES

Mr. METCALF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, the price of zinc has fallen 3 cents a pound in the last 2 months. The continuous decline in lead and zinc prices has worsened the already desperate crisis confronting the lead and zinc and particularly the zinc producers of this country. The other day Anaconda's Darwin mine in California was closed down. Mr. Fred E. Tong, the manager of Darwin Mines, in a letter to his employees announcing the shutdown, cited the constant decline in lead and zinc prices as the primary factor in closing.

The closure of the Darwin mine in California was followed by the announcement of the American Smelting & Refining Co. that the Keystone mine at Crested Butte, Colo., was scheduled for shutdown. In addition it was also announced that plans were being made to close the Northport mine at Colville, Wash., and the Groundhog mine at Vanadium, N. Mex. Operation of the mill at Deming, N. Mex., where the Groundhog ores are processed, will also be suspended.

All over the West the story repeats itself. Mines and smelters are suspending operation, because the present price of lead and zinc is considerably below the domestic costs of production. At the same time imports of zinc in ores and concentrates continue to rise. Congress must soon choose whether we are going to assist our domestic lead and zinc industry or whether we are going to depend entirely on foreign imports to the detriment of American producers and wage earners. The situation is so critical that much more inaction will result in total paralysis of our domestic industry, and it will be too late to save many producers.

THE DEPARTMENT OF DEFENSE

Mr. BENNETT of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, the Hoover Commission has made many excellent suggestions for making the Department of Defense more efficient and economical. I recently introduced a bill, H. R. 8091, to carry out some of these recommendations. In this I join others who have also introduced similar legislation in a joint cooperative effort.

My bill proposed reforms in the field of civilian-military relationships. This general problem will always confront the Department of Defense, because the Nation will never permit the Department to be completely military run, and military science makes complete civilian staffing impossible. At present two divergent personnel systems are operating together with no clear delineation of relative roles. One important result of the ineffective division of responsibility between military and civilian personnel is duplicate staffing, under which 2 individuals, 1 military, the other civilian, carry out the same responsibility. The Hoover Commission found duplicate military-civilian personnel in 16,000 defense-support assignments, representing an unnecessary payroll cost of $110 million annually.

The best solution to the confusion, inefficiency, and waste resulting from dual staffing is for the Secretary of Defense clearly to delineate the jobs which should be filled by military officers from those which should be filled by civilians. H. R. 8091 authorizes and directs such delineation and specifies criteria upon which this delineation should be based. According to the criteria in the bill, civilians would be employed in positions which require skills which are usual to the civilian economy, in which continuity of management and experience can be more readily provided by civilians, and which do not require the exercise of military command over tactical forces. Military personnel would be given assignments in combat related support activities, and in organizations immediately in support of operational forces exposed to potential enemy action, and in supplier related support activities necessary for the training of officers for combat related support, and in those activities which are necessary to provide military experience to supplier related support.

Besides directing the delineation necessary for preventing wasteful dual staffing, H. R. 8091 provides other means for making military and civilian personnel more effective in their respective spheres of defense support activities. It directs the Secretary to provide longer assignments for military personnel in support activities, to improve the career outlook for officers given such assignments, to confine the rotation of military personnel in such positions to specialized support areas, and to discontinue the assignment of tactical officers to positions in the support activities for reasons of rotational convenience.

To make civilians more effective in their sphere, the bill directs the Secretary to provide civilians the same career development and promotion opportunities which are provided military personnel. The Secretary would set up a civilian management personnel reserve for quick expansion in times of emergency.

Mr. Speaker, it behooves us here in Congress to give our closest and most careful attention to this and other proposals for effecting permanent economies which can save the bent-backed American taxpayers substantial sums year after year. I commend H. R. 8091 to the serious consideration of my colleagues in the House.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, the legislative program for next week will be as follows:

On Monday, the bill H. R. 8240, construction, military installations authorization bill, will be taken up. Any record votes on Monday or Tuesday will go over until Wednesday of next week.

On Tuesday, and the balance of the week, the following bills will be considered:

H. R. 7441, conference report on the Agricultural appropriation bill for 1958.

H. R. 6814, poultry and poultry products, compulsory inspection bill.

House Joint Resolution 16, status of forces agreements. The latter resolution will be programed for consideration

on Wednesday if a rule is reported. Following that the following bills will be considered:

H. R. 7390, utilization of advisory committees.

H. R. 8364, extending plans of Reorganization Act of 1949.

H. R. 72, veterans, guardians, gratuities.

H. R. 4520, certification of Alaska air carriers.

H. R. 3753, agriculture, homesteaders, and desertland entryman.

If the bill is reported and a rule granted, Mr. Speaker, the bill S. 2130, the Mutual Security Act of 1957, will be taken up.

The bills listed above may not necessarily be called in the order in which announced.

I desire to advise the House also that on Thursday next, at 12:30 p. m., the Prime Minister of Pakistan will address the House. This will not be a joint session.

Any further program will be announced later, and conference reports may be called up for consideration at any time.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Iowa.

Mr. GROSS. I believe the gentleman stated that these bills might not be taken up in the order announced.

Mr. ALBERT. The gentleman is correct.

Mr. GROSS. Is there any possibility that the foreign dole bill will come up early in the week?

Mr. ALBERT. If the gentleman refers to the Mutual Security Act of 1957, I should say it would be very unlikely for the bill to be taken up early in the week.

Mr. GROSS. I will say to the gentleman that I tried before the 4th of July to get a copy of the bill and the report, but could not do so. This is a multi-billion-dollar program and I would like to know something about it. I hope the leadership on the other side of the aisle will bring the bill up late in the week, if it has to come up next week at all, so that Members may have an opportunity to at least have a working knowledge of what it contains.

Mr. ALBERT. I think we will be able to accommodate the gentleman.

CALENDAR WEDNESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

JONES-DAVIS BILLS FOR FINANCING TVA POWER FACILITIES

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. ABERNETHY] is recognized for 30 minutes.

Mr. ABERNETHY. Mr. Speaker, the Tennessee Valley Authority is the wholesale power supplier for 98 municipal electric systems and 51 rural cooperatives. The TVA is their only source of power. The territory served by TVA will move forward or fall backward depending upon the ability of TVA to meet the power needs.

If progress in the valley is to keep step, if a shortage of power is to be avoided, then it is absolutely essential that increased generating facilities be put under construction at an early date. A day of a serious power shortage is rapidly approaching.

It has now been several years since Federal funds were invested in expanded generating facilities for TVA. It has been the judgment of this administration that the method of financing TVA's power expansion, in effect since the advent of the authority, should be ended. The will of the administration has prevailed. Action must not end there. Some other method of financing must be substituted.

In substitution it has been agreed by those on both sides of the issue that TVA should be empowered to finance its own power expansion facilities by way of revenue bonds. It is imperative that such authority be granted by this Congress. The bills, H. R. 3236, by Mr. JONES of Alabama, and H. R. 4266, by Mr. DAVIS of Tennessee, are designed to confer the appropriate authority and meet the emergency.

A simple issue is presented by these bills. Shall TVA, an agency created by the Congress, be permitted to continue successfully to administer a program authorized by Congress to achieve objectives laid down by Congress in its statute. It can do so if H. R. 3236 or H. R. 4266 is enacted into law. Failure to approve the legislation presents the unthinkable alternative. Then Congress would be seen ready to repudiate the decisions of prior Congresses, to disregard a magnificent record of achievement extending over more than two decades, to ignore the desires of the region concerned, and by default cause this great enterprise to fail. That must not happen. Enactment of this legislation is vital to a great area of the country and to the Nation.

The bills introduced by Representatives DAVIS and JONES will authorize TVA to issue bonds to finance the capacity additions required to meet the growing loads of the area served by TVA. They will be revenue bonds, and the power consumers of the area will provide the revenues needed to carry and to retire them. Annual appropriations by the Congress will no longer be required for investment in added power capacity to serve the people of the area.

A great partnership urges enactment of this legislation. In a time when new types of partnership are promoted it is good to point to this unique example of a partnership which has been tested. It works. The partnership which exists between TVA, an agency of the Federal Government, and the more than 150 local agencies which carry power to the ultimate consumers has been cemented over almost a quarter of a century. It is based on an act of Congress, the act creating TVA adopted in 1933. Then Congress first authorized the TVA to enter into contracts with local agencies and on November 9, 1933, TVA's first municipal power contract was signed.

That first partner was the city of Tupelo in Mississippi in the district I have the honor now to represent. The partnership was strengthened by an amendment to the TVA Act adopted by the Congress in 1939. Under that legislation TVA was authorized to issue bonds, to purchase the generating and transmission facilities of certain private companies operating in the area. When that amendment was approved and the purchase was concluded, TVA became the sole source of power supply for the area it served. By authority of the Congress it accepted the basic responsibility of every power supplier—the responsibility of providing capacity adequate to meet the people's expanding requirements for electric energy.

At the same time, and as a part of the same transaction, municipalities and rural cooperatives in the region bought the distribution systems of the private power companies. They entered into contracts for power supply with TVA. They agreed to carry out the policies Congress had outlined in the statute. They became true partners, accepting a share of the responsibility, a share of the risk, in trying out the promotional marketing policies Congress had directed the Board of TVA to promote. They extended lines to the farms and to residential customers which the private companies had refused to serve. They offered service at lower rates than the region had known before. Over the years they have demonstrated what will happen to any power supplier when rates are lowered and the increasing volume of sales is relied upon to provide the earnings required to cover the costs of service. That demonstration has helped the private power companies to do a better job. It has helped the farmer in areas far removed from TVA. Now that REA cooperatives cover the country it is easy to forget that the Alcorn County Electric Power Association in my district was the forerunner of them all, and that from the beginning the cooperatives in the TVA area have been the pacesetters for the country. This partnership has been a stirring thing to watch, a vital experiment in the democratic process.

The issue now presented to the Congress is whether that partnership is to continue. Today the distribution systems which have contracts with TVA have invested more than half a billion dollars in their locally owned facilities. They are prepared to make further investments in new facilities, to improve their service, to develop new ways of power utilization, to provide the earnings which will permit TVA to add to the facilities of generation and transmission required to serve them. The nine municipal systems and the dozen cooperatives which serve my district are all prepared to carry out the partnership obligations. They are ready all over the region. They are waiting for the adoption of this legislation they all approve to make their plans for the future. Our industries are waiting. Over 5 million people, the economic future of a whole

region, vast private investment—the future of all these is involved in the decision of the Congress on this question.

It seems to me that the Government, the owner of this system, ought to be rejoicing that the management of TVA has been able to do this development job so effectively that it can project a future where the system's earnings will be adequate to finance the additional capacity required. I think it is an amazing tribute to the validity of the theories Congress directed TVA to try out in this region. It is a tribute to the management of TVA and to the people of the area that TVA can continue to achieve the same objectives as it moves to accept the burden of additional costs imposed by private financing. I am astounded that such an occasion should be seized by some not as an opportunity to applaud and approve and encourage TVA, but to threaten, to criticize, and to endeavor to hamstring the agency.

The need for authorizing TVA to issue bonds seems to be fairly generally recognized, except, of course, among groups like the Edison Electric Institute or the National Chamber of Commerce, which have fought TVA from the beginning and would like to liquidate it now. It is natural, perhaps, that private power companies should look with greedy eyes at the market developed by TVA and its distributors, a market they neglected all the years they had the responsibility of service. It is natural, perhaps, that they and their allies feel a deep resentment toward the people who have demonstrated how wrong their estimates and their policies were, how inadequately they met their obligations. It is natural, perhaps, that the complacent managements of private companies resent pressures to do a better job for their consumers.

The opposition of such self-serving spokesmen is probably to be expected. I know their hostility will not prevail in the Congress. I am more troubled by the opposition of others who give lipservice to the importance of the enactment of bond-authorization legislation for TVA, but who for one reason or another suggest changes and alterations in the bills proposed. I am concerned by those who express fears and doubts as a reason for this and that amendment, the total impact of which would be to prevent TVA from continuing to do a good job. It would be a disaster if this Congress were to add provisions to these bills which would smother and strangle the agency, which would, in fact, guarantee the failure opponents have been predicting for 24 years. That self-induced failure, if it occurred, could then be used as an argument for the liquidation of TVA and the destruction of this partnership against the wishes of the people of the region and in violation of any decent standard of responsibility on the part of the Congress.

I would urge the most careful study of the various amendments which will be suggested. These bills embody a plan developed after long study, a plan under which the responsible management of TVA pledges to the Congress a continuance of the program so magnificently administered thus far. I would urge, for example, the most meticulous examination of the position of the Bureau of the Budget which, when the legislation was first introduced 2 years ago, presented an amazingly complicated list of amendments which would have combined to destroy TVA. This year, as I understand it, the Bureau has contented itself with a letter to the chairman of this committee, under date of April 11, a letter which argues that these bills are faulty because they do not incorporate four principles which, in the opinion of the Budget, should be embodied in whatever legislation is passed. It seems to me very easy to demonstrate that the Bureau's criticisms are without validity, and I would like for a few moments to examine the principles which the Bureau states are not embodied in H. R. 3236 and H. R. 4266.

First, the Bureau says, the authorizing legislation "should provide for executive and legislative review, as now applies to all wholly owned Government corporations under the terms of the Government Corporation Control Act, of proposed expenditure plans for new or expanded power facilities." As a matter of fact, no provision of H. R. 3236 and H. R. 4266 repeals or modifies existing law with respect to title I of the Government Corporation Control Act, so the "principle" enunciated is met. I think the truth is that what the Bureau really wants is more authority over TVA than afforded by the present Government Corporation Control Act or any other statute. I think the Bureau wants to run TVA, in order to destroy it. What the Bureau proposed in its own draft of legislation submitted 2 years ago was something that went way beyond the provisions of title I of the Government Corporation Control Act. They wanted to make sure, beyond all doubt, that TVA would be required to seek and obtain affirmative approval by the Bureau itself before a single kilowatt could be added to the TVA system. The Bureau now has the authority to decide how much capacity will be added by the use of appropriations, and in the last 4 years only 360,000 kilowatts have been added. The Bureau's approval is not required to add units to existing plants, from revenues, and today over a million kilowatts are being added, over the spiteful opposition of the Budget. Now they want total control, over revenues current and future. What the Bureau wants is a transfer of control and management from the Board of Directors, who administer the TVA statute under oath and who are accountable to Congress, to the Bureau of the Budget. The Bureau wishes to substitute itself for the Board. No recommendation could be made to Congress unless the Bureau approved it. No information would come to Congress unless the Bureau approved it. This would be the end of TVA. The people of the region, the power consumers, would have no appeal from the secret decisions of unaccountable bureaucrats in Washington. The Congress would have no information on which to base its judgment. The basic provisions of the TVA statute would be nullified. TVA would no longer be run by a responsible nonpolitical management located in the region, accountable to the Congress, visible to the people. It would be run by the Bureau of the Budget.

Second, the Bureau's letter states that legislation "should provide both for payment of interest on, and the orderly retirement of, the existing appropriation investment in Tennessee Valley Authority power facilities." Here the Bureau seems to forget that the Government owns this power system, that it is not in the position of a banker demanding interest and retirement of money he has loaned. There is no question about the payment in cash to the Treasury of an adequate return on the appropriation investment in power facilities. H. R. 3236 and H. R. 4266 specifically provide for such a return, measured by the Government's own current cost of money. But it makes no sense for the owner of an enterprise, and one incidentally which is itself using more than half that enterprise's product, to insist on withdrawing its capital investment at the same time that the enterprise must expand its facilities by borrowing money in the bond market. The result would be ultimately to leave the TVA power system financed 100 percent with bonds while the Federal Government, with no equity investment, continued to exercise all the rights and powers of an owner. No private utility would ever be permitted to function on such a basis, and it is not reasonable that a Government-owned project should be expected to do so.

Third, says the Bureau, legislation "should be so drawn as to limit the maximum amount of bonds that may be outstanding at any one time, so that the Congress will be enabled to make a review of the effect of revenue bond financing after a reasonable period of time in operation." This statement is a classic among non sequiturs. Since when, may I ask, has Congress ever been unable to review the operations of any Federal agency whenever it may choose to do so? Why would it require a ceiling on the amount of bonds to review the effects of TVA revenue bond financing? The answers are obvious. No such limitation is necessary to enable Congress to review the results of TVA bond financing whenever it wishes. The only effect of such a limitation would be to create continued uncertainty as to TVA's ability to finance needed future power capacity. The only effect would be to frighten off investors, to add to interest costs. The only effect would be to jeopardize the success of a bond financing program.

Finally, says the Bureau, the legislation "should be limited to Tennessee Valley Authority's financing problems and should not alter Tennessee Valley Authority's presently authorized basic functions." There is nothing in H. R. 3236 or H. R. 4266 which would change TVA's presently authorized basic functions. Congress, in 1939, made TVA the sole power supplier in the region it serves, and H. R. 3236 and H. R. 4266 would simply permit it to discharge this responsibility.

The Bureau is trying hard to find a basis for opposition to these bills. It is time for Congress to say to the Bu-

reau—we created TVA. It has done a fine job. We want it to continue.

Mr. Speaker, this is a most pressing matter. Power consumption in the valley is growing by the hour. With each passing day a power shortage looms nearer. People of the valley are anxiously awaiting action by the Congress.

Passage this year of the self-financing plan as outlined in the Jones-Davis bill is essential. The cooperation and assistance of this administration is respectfully invited.

STRONG FORCES CONTINUE EFFORTS TO ELIMINATE INDEPENDENTS

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, every Member of Congress is interested in the preservation of independent banking. In view of this interest, I commend to the House membership an interesting, informative, and factual address by Mr. Harry J. Harding, president of the First National Bank of Pleasanton, Calif., and honorary president of the Independent Bankers Association of the 12th Federal Reserve District, before the 23d annual convention of the Independent Bankers Association at Miami Beach, Fla., in April of this year, entitled "Strong Forces Continue Efforts To Eliminate Independents." This address was carried in the July 1957 issue of the Independent Banker.

Mr. Harding, an independent banker himself, has long, diligently, and effectively worked to secure legislation for the benefit of independent bankers, including the Bank Holding Company Act of 1956. He is one of the best informed persons in the Nation on the subject of banking. His analysis of the problems facing independent banking and his suggestions for remedial legislation are well worth the time of any Member to consider.

The address follows:

STRONG FORCES CONTINUE EFFORTS TO ELIMINATE INDEPENDENTS

(Address by Harry J. Harding)

Although the title of my talk appears on your program as "The Single, Dual and Triple Banking Systems Reexamined," I will approach this by discussing "The Three 'F. T. F.'s' of Independent Banking."

These F. T. F.'s are: Face the Facts of Independent Banking, First Things First in Independent Banking, and Finish the Fight for Independent Banking.

What are some of the facts of independent banking today?

Fact No. 1 is that independent banking is under attack.

We do not hear anyone advocate the destruction of our system of independent banking and the substitution therefor of the Canadian or the European systems of nationwide branch banking—with only half a dozen or so banks—at least not openly and directly. Such an effort quickly would be buried in an avalanche of opposition.

WHITTLING PROCESS

The effort to accomplish the elimination of independent banks is more subtle. It takes form largely in a whittling process, a constant nicking away at diffused control of banking on the one hand, and a building up of public acceptance of absentee ownership and management.

Among other things, these undermining efforts take the form of the recurrent urging that control over the reserves of all banks be placed in the hands of the Federal Reserve Board—or increasing the powers of the Federal Deposit Insurance Corporation—or to expand the powers in the hands of the other Federal supervisory agencies.

The State comptroller of the State in which we are now meeting, addressing the Florida Bankers Association a few weeks ago, warned that the continued invasion of the rights of the States by the Federal Government and its agencies, in the field of banking, could result in the disappearance of State chartered and State supervised banks.

So, fact No. 1 that we should face is that our system of independent banking is under strong undermining attack.

Fact No. 2 is the threat of holding company expansion within a State.

The Bank Holding Company Act of 1956 falls short of the objectives of your organization. While it prohibits further interstate expansion, it leaves the door wide open in most States for the expansion of bank holding companies within a State regardless of what the branch banking laws of such State might be. It placed a responsibility upon each of the States to enact its own legislation if it wishes to regulate the expansion of such companies within its borders.

A rather startling idea, which certainly seemed aimed at furthering the purposes of a proposed New York State bank holding company, was the publication by a well-known and highly respected bank stock analyst, claiming that Congress, by enacting the Banking Holding Company Act had given its blessing to a new triple banking system.

NEW TERM FOR EVADING

Completely misunderstanding the legislative history and the restraining purposes of the act, he enthusiastically hailed what he believed to be Congressional approval of the pole vaulting of the State's branch banking laws. (Let me add that pole vaulting is a polite way of saying evading).

This authority on bank stock says: "The announcement of plans for a new bank holding company. First National Corporation, marks the opening of a new era of banking in New York State, and, inevitably, the Nation."

He also stated: "The proposed bank holding company * * * now shows the way to leap across every wall from New York City to Plattsburg and from Albany to Buffalo. Indeed, the proposed first little jump has suddenly revealed greener pastures that have already forced other bankers and their stockholders to look to their own jumping shoes."

PREMATURE EXULTATION

That expert on bank stocks spoke a little too soon. He hadn't dreamed that in addition to Mississippi, Illinois, and Georgia, which States already had laws on their books, other States would be enacting legislation to clip the wings of any holding-company movement.

Indiana and Kansas recently enacted laws that ban holding companies. Pennsylvania, New Jersey, Minnesota, and Massachusetts have had bills in the hopper.

Most surprising of all, probably, to the stock expert, was the action of New York State, as follows:

First in the anti-holding-company position taken by Governor Harriman and George A. Mooney, superintendent of banks.

Second, the enactment of a stopgap law aimed at preventing the proposed First National City Bank holding company from acquiring a bank in a district in which it could not legally operate branches.

Third, extension to this stopgap measure to keep it in effect until May 1, 1958.

No; we are far from developing this so-called triple system of banking, thanks to the work that the independent bankers have done over the years and are still doing to fight this threat. But the inadequacy of present bank holding-company laws is fact No. 2 that we must keep in sight.

CONCENTRATION BY MERGER

Fact No. 3 is the concentration of banking control through the mergers of banks. This merger trend has been accelerated in recent years.

Last year alone 103 banks absorbed 143 other banks—almost 1½ banks gobbled up by each of the surviving banks.

In the 20-year period from December 31, 1936, to December 31, 1956, according to the FDIC, the number of banks in this country decreased from 15,679 to 14,166—a shrinkage of 1,513 banks, though approximately 1,000 new banks were organized in this period.

This year-by-year shrinkage in the number of banks, in the opinion of the ABA, is nothing to be alarmed at. The ABA, to which we all belong, bitterly opposed the Celler bank merger bill in 1955 as not needed. It declared "that the number of individual banks in operation since 1939 has remained relatively stable; that this stable level in the number of operating institutions has adequately supplied the banking needs of the country essential to the enormous economic growth of the country during this period."

A decline of about 10 percent in the number of banks in 20 years, the ABA regards as relatively stable, notwithstanding an enormous economic growth.

WHAT LAW SAYS

The Financial Institutions Act of 1957, as approved by the Senate, declares that in addition to other factors, the respective Federal supervisory agencies in considering proposed mergers shall, and I quote:

"In the case of a merger, consolidation, etc., take into consideration whether the effect thereof may be to lessen competition unduly or to tend unduly to create a monopoly, and, in the interests of uniform standards, it shall not take action as to any such transaction without first seeking the views of each of the other two banking agencies referred to herein with respect to such question; and in such case, the appropriate agency may also request the opinion of the Attorney General with respect to such question."

Let me discuss this a little. You will note that there is no outright prohibition of any merger, merely the requirement the appropriate agency shall take into consideration competitive and monopolistic aspects and in the interest of uniform standards shall first seek the views of the other two banking agencies.

The appropriate Federal agency at its discretion may also request the opinion of the Attorney General with respect to such question. What is the question? Whether the effect of a specific merger may be to lessen competition unduly or to tend unduly to create a monopoly? Does that mean monopoly is O. K. as long as it does not tend unduly to create a monopoly?

How would you define "unduly"? In the existing antitrust legislation, such as the Sherman Act and the Clayton Act, the word "unduly" does not appear.

The word "substantially" has been passed upon as to meaning by the courts in a number of cases. It is safe to say that it will be years before the meaning of the word "unduly" can be determined. There will have to be a number of court decisions on this point.

You will also note that the provision which we have quoted does not say a word about any approval of any merger by the State supervisor of banks where a State bank is

concerned. Here again the termite of Federal control continues to eat away at the vitals of our dual banking system.

FDIC MERGER STAND

The FDIC, in a letter signed by its General Counsel, addressed to the Honorable STROM THURMOND, United States Senator from the State of South Carolina, has given assurance that it will not consent to any transaction under the merger section involving a State bank without the prior approval of the State banking authority, if such approval is required by State law.

While this is a recognition the State supervisor should have the authority to disapprove a merger, this is not enough to preserve the prerogatives of the State supervisory authorities and to maintain the autonomy of the States over banking. This policy of the Federal Deposit Insurance Corporation can be changed by the board of directors at any time. The personnel of the board does change. We learned with sorrow of the passing of Maple Harl, former Chairman and a director of the FDIC. This brings home more than ever that boards do change.

I strongly believe that neither the Federal Reserve Board, nor the Comptroller of the Currency, nor the FDIC should have any additional powers over the mergers of State banks, and I hope that the House of Representatives will amend the Senate bill in this regard.

Certainly the record of the States as to the maintenance of competition among banks is as good as that of any Federal agency. However, inasmuch as banks have been held to be engaged in interstate commerce and since existing Federal antitrust laws apply to concerns engaged in interstate commerce, it does not seem realistic to permit each State to establish its own standards to apply to monopolistic tendencies, either for banking or for any other line of business. Therefore, I believe the enforcement of all antitrust and monopoly laws, including those affecting banking monopoly, should rest with the Federal Government, that is, the Attorney General.

Those who argue that the Federal supervisory agencies alone should have anything to say over banks and banking are forgetting that, by reason of being engaged in interstate commerce, banks come under a whole flock of laws that are administered by agencies other than the Federal supervisory agencies. Among these laws are the Fair Labor Standards Act (wages and hours law, as we usually refer to it), the Labor-Management Act of 1947 (Wagner Act), Social Security Act, the Clayton Act, and the Sherman Act.

PERMISSIVE WORDING

The merger provisions in the proposed Financial Institutions Act which I have quoted state that the respective Federal agencies may request the opinion of the Attorney General. Why? Presumably because the Attorney General's opinion should be helpful. Then why under the sun shouldn't the respective Federal agencies take advantage of that help? They will, if the wording of the act is changed from "may" to "shall."

The independent bankers consistently have held there is danger in the economic power inherent in the concentration of control over banking. Monopoly, in the ordinary sense, the destruction of competition, always has been second to this danger.

It was not so much the fear there would be no competition to the Second Bank of the United States, that led Andrew Jackson to fight for a system of diffused control over banking, as it was the fear of the economic power that centralized control would beget.

Congressman CELLER has presented some arresting figures on the concentration of banking, figures that are startling in showing how far down the road to the European system of banking we have traveled. I also will shock you with some figures from an area with which I happen to be pretty well acquainted and where I saw it happen.

At the end of 1935, there were in California 275 banks, of which 236 were unit banks; 39 branch systems. At the end of last year, there were only 139 banks, of which 87 were unit banks and 52 branch systems.

At the end of 1935, the bank assets held by branch banking systems amounted to 83.6 percent of the total. Twenty-one years later, at the end of last year, the branch systems held 97.8 percent of the total bank assets, largely concentrated in 7 branch banks.

In Washington, at the end of 1935, there were 188 banks, of which 180 were unit banks. By the end of 1956, the number of banks had decreased to 97 with unit banks numbering 74 and branch bank systems 23. The percentage of bank assets held by the branch banking systems in the 20-year period increased from 52.9 percent to 89.3 percent, largely concentrated in the 5 large branch bank systems.

In Oregon, at the end of 1935, there were 97 banks, of which 94 were unit banks. At the end of 1956, the number of banks had dwindled to 52, of which 41 were unit banks and 11 branch bank systems. In the 20 year period, the percentage of bank assets held by the branch bank systems increased from 69.1 percent to 91.5 percent, practically held about equally by two chains.

ARIZONA: TWO INDEPENDENTS

At the end of 1935, there were 9 banks in Arizona, of which 6 were unit banks; 3 branch systems. By the end of 1956, the number of banks remained the same, but the unit banks had decreased to three. Now there are only two. Think of it—only two small independent banks in the entire State of Arizona.

Whereas in 1935 the percentage of bank assets in Arizona held by the branch systems was 77.2 percent, but the end of 1956 this had increased to 96.5 percent. But, as a matter of fact, two holding companies hold practically all of the assets as shown by the branch banking systems just mentioned.

Certainly, in Oregon and in Arizona, where 2 organizations alone in each State hold practically all the bank deposits, there is competition between these 2 organizations. But we would like to ask the Comptroller of the Currency, the Federal Reserve Board, and the Department of Justice, as well as the ABA, has a tendency toward monopoly developed in the States that I have just quoted? Or, at what point does this tendency toward monopoly begin?

MUST CHECK MERGERS

As so ably pointed out by Congressman CELLER, unless the merger movement is speedily checked we will wake up one day to find that these mergers, repeated and multiplied over and over again throughout the country, will have brought about a new situation like the European system where a few banks completely dominate our banking structure. That is fact No. 3 on our list of facts we must face.

Fact No. 4 is the extension of branch banking. The destruction of legal restrictions on branching is perhaps the most serious of all threats to independent banking.

Branch banking proponents argue that independent banks and branch banks can exist together. The history of no country supports their claims. No, the history of Europe and Canada, as well as of some American States, overwhelmingly demonstrates the fact that branch banking drives out unit banking.

PATTERN IN CALIFORNIA

Let's take another look at California. The Bank of America started in 1904. By the end of 1922, when I located in California, it had 61 banking offices in 42 communities and deposits amounted to $229 million. By the end of 1956, the Bank of America branches had reached the 600 mark and deposits amounted to $8,993,000,000 about 44.5 percent of the State's banking resources. There is no ceiling.

There are half a dozen other large branch systems in California trying to overtake each other in opening branches. There are now 1,304 branch bank offices in California and only 87 unit banks.

There are some branch bank operators in California who very frankly admit they are afraid of the situation. They are opposed to any octopus system and they want competition, instead of monopoly by themselves or any other bank.

Because they cannot restrain the ambitions of their competitor branch bank operators—and as these competitors reach out and surround them with branches, they feel forced, in defense of existing business, to expand themselves. Thus the pressure continues, ever spiraling toward greater and greater concentration.

RECORD SHOWS ATTRITION

In our own country, the history of those States where branch banking is permitted, even though limited to cities or counties, shows in almost every case a steady attrition in the ranks of independent banks and a constant increase in the number of branches.

Of 7,957 branch offices as of December 31, last, 3,336 were in the 18 States that permit statewide branches, and 4,403 are located in the 18 States that limit branches to cities, counties, or other areas.

In 20 years, there has been a gain of about two and one-half times in the areas in which branching is limited, as against a gain of two and one-fifth times for the statewide States. In States where branching is limited in area, the concentration of bank assets in a few institutions is just as marked as it is in States permitting statewide branching, sometimes more so.

No, the argument that branch banks and unit banks can live side by side on a basis of equality is a fallacy.

Fact No. 5 is the lack of public interest. In my opinion a great many people care very little whether a bank is a unit bank, a branch bank, or a subsidiary of a holding company. Most people care very little whether a bank's policies are laid down locally or by an absentee management located a long distance away. The public's primary concern is as to the safety of its funds, and it looks to the Government to provide this protection.

That is why Carter Glass, after nearly 32 years as a member of the House and Senate Banking and Currency Committees, was able to say he had never heard a merchant or businessman protest against branch banking.

Happily, there are people who understand the difference between independent and other banking. It is this percentage who prefer independent banking that accounts for the slightly better growth in unit banks as compared with other systems. Nevertheless, the public apathy is fact No. 5 we must consider.

Fact No. 6 is internal weaknesses. Certainly, faulty building helps create the "termite problem." We might say that we ourselves are guilty of faulty building when we do not properly provide for management succession, when we fail to build up our invested capital as our business grows, and when we get careless about providing adequate services for the public as conditions and ways of doing business change.

There are other problems that confront us, such as competition of pseudo-banks and various lending organizations. But these problems your association has been studying and we are hopeful there will be devised a treatment necessary to meet these situations.

The facts that face us, then, are:

Independent banking is under attack.

Holding company expansion within a State regardless of branch bank laws, is undermining independent banking.

The concentration of control of banking by the merger method is another threat to independent banking.

The spread of branch banking.

The public is disinterested.

Internal weaknesses in our banks must be corrected.

WHAT TO DO

With these facts before us, let us take a second look and determine which of these undermining influences presents the most urgent problems to be tackled.

I think we will pretty much agree the most serious threats are from the three channels through which concentration of banking control is taking place: merging, branching, and holding company intrastate expansion, and these need to be tackled simultaneously.

Let's begin with the merger threat.

For quite a number of years the House Judiciary Committee and the Senate Select Committee on Small Business, particularly, have called attention to the dangerous trend of banking concentration and have sought to cure this tendency.

In my opinion, none of the proposed bank merger bills go far enough. Preston Delano, then Comptroller of the Currency, in testifying before the Senate Committee on Banking and Currency in 1950 on S. 2318, a bank holding company bill which had been drafted by the Federal Reserve Board, declared, "It has also been suggested that it would be wise to have a definite ceiling beyond which bank holding companies could not expand. A suitable test might be a specified percentage of the banking offices or bank resources within defined areas."

I seem to be in good company, then, when I suggest a somewhat similar provision be added to the bank merger bill. You may wonder why we had not endorsed this principle at the time Preston Delano made the suggestion. We, however, took the position and have steadfastly maintained it, that the bank holding company device had been used to evade the Nation's banking laws, and we oppose legalizing such evasion in any degree. The matter of law evasion does not apply to branch bank legislation.

SUGGESTED STANDARDS

So that we may have something to shoot at, let me suggest an addition to any bank merger bill, along the following lines:

No merger shall be approved under this act, in cities of 10,000 or less population, when the result will be two or less banks located in the city in which the merging bank is located; nor in cities of more than 10,000 population up to 25,000 population when the result will be three or less banks located in the city in which the merging bank is located; nor in cities of over 25,000 population to 100,000 population when the result will be four or less banks located in the city in which the merging bank is located; nor in cities of over 100,000 in population when the result will be five or less banks located in the city in which the merging bank is located. In each case, the population figures will be those of the last Federal census.

Nor shall any merger be approved under this act when the result will be that the merging bank will hold more than 30 percent of the total banking deposits of the area in which the merging bank has offices.

Let's kick this around for awhile. I don't want you to say you are for this or that you are opposed. I would like to have you think of the arguments both for and against such a proposal, so that we may carefully study and weigh them.

You may feel that the criteria specified in this suggestion are not realistic, but can you think of better yardsticks than the ones suggested? Do you think that we ought to have any yardsticks other than the discretion of some Federal agency? Have you any reason to believe the Federal agencies would?

The yardsticks I have suggested are no more arbitrary than the existing requirements as to the capital necessary for the establishment of a new bank, or of a merging bank. The prevention of undue concentration of banking control is just as much in the public interest as the limitations on the loans that a bank can make. As to the argument that mergers should be left to the discretion of a supervisory agency, this, in my opinion, could apply equally as well as to the capital requirements for a new bank.

SEES OBJECTION

I know the supervisory agencies will immediately howl that the merger door must be kept open so that without hindrance they can merge a failing bank, a bank that is not properly managed, or a bank that is undercapitalized, with another good bank, regardless of its monopolistic tendencies.

If such an emergency escape hatch needs to be kept open, that can be provided, of course, but I wonder if merging a weak bank is the one and only solution that the FDIC or any other supervisory agency can think of. If so, why do not the laws say something affirmatively giving the power to compel the merger of a bank under such circumstances, to the supervisory agencies? Or is this a method they themselves have seized upon without Congressional sanction?

You will note what we have proposed places no limitations on size, nor does it in any way hinder normal growth. It merely restricts canabalism.

Let's not say it can't be done, but rather ask ourselves, should this be done? I am convinced we must have a ceiling on concentration of control over banking or face destruction to our independent banking system.

Second: What can be done to overcome the threat of envelopment by branch banking?

Every effort must be made to hold existing restrictions on branching in the various States. This should be done by study and discussion of branch banking and its tendency to drive out independent banking, a tendency that is just as inexorable as the workings of Gresham's law.

While each State will have to solve its own problems, your organization must be prepared to give help and guidance to State groups, profiting by the experience and success achieved in other States. This means a certain amount of public education also.

PUBLIC HEARINGS NEEDED

There is no provision in the National Bank Act, nor in the Financial Institutions Act of 1957, for public hearings on national bank branch applications. I fail to see any valid reason why such applications should be made and passed on in secrecy.

What we want to know is: Wherein is it detrimental to the public interest to have it known when an application for a branch has been made? I hope that the House of Representatives will amend the Financial Institutions Act to provide for such public hearings. Your association is on record in favor of such a provision.

The Comptroller of the Currency should be restricted by statute in his authority to approve branches of national banks, in addition to the geographical limits in which State banks can have branches, as at present, so that limitations a State may place on drive-in or tellers' windows would have to apply to similar stations or offices of national banks in those States.

Likewise, I am of the opinion that the ceiling in percentage of deposits of a city or area, such as I have suggested for mergers, that is, 30 percent, should apply in the case of de novo branches; in other words, no bank holding 30 percent of the deposits of the area in which it is authorized to operate should be permitted to establish a new branch.

Now let us look at the third important threat, holding-company expansion within its home State. One difficulty in securing enactment of the Bank Holding Company Act of 1956 in the form it was originally overwhelmingly approved by the House of Representatives was the intensive effort on the part of the ABA and the Federal Reserve Board to convince the Senate Banking and Currency Committee that holding-company banking was not essentially branch banking.

THE SAME, COURTS SAY

The ABA particularly testified at length as to the differences between a branch bank and a separately incorporated bank controlled by a holding company. The representatives of the Independent Bankers Association held that these differences were mainly in form and not in substance.

In the March issue of Banking, there appeared an item stating that a court in the State of Georgia held that holding company banking and branch banking were the same. Courts in several other States have held the same thing. Had the American Bankers Association recognized the obvious, that the holding company was a mechanism for evading the law of the States relative to branches of banks, I am quite sure we would have gotten the House-approved Spence bill, substantially in its original form.

We realized after successfully having the Douglas amendment prohibiting interstate expansion by bank holding companies adopted by the Senate, the bill was all we could hope for at the time. Striving for the ideal might have meant that legislation would have been delayed as our opponents counted on doing and thereby we would have been defeated.

REVIEW PROVISION

We knew if we kept well organized, and, as experience proved the need, the act could be amended. In fact, the act provides that within 2 years after the enactment, the board of governors shall report to the Congress the results of the administration of the act, stating, what, if any, substantial difficulties that have been encountered in carrying out the purposes of the act, and any recommendations as to the changes in the law which in the opinion of the board would be desirable.

I think we can expect the holding companies will make every effort to bring about a softening of the law. We must be ready ourselves, at the proper time, to support amendments that will strengthen the act.

SUGGESTED AMENDMENTS

The first of these amendments would be a definite restriction on the evasion of the State branch banking laws through the holding company device, such as was recently attempted in New York State. This would mean adding a provision essentially similar to the one deleted from the House-approved Spence bill, as follows:

"Nor will it be lawful for any bank holding company or subsidiary thereof to acquire, directly or indirectly, any shares in a bank in any area within its home State except in the same geographical area in which a bank located in the same city in which the bank holding company has its principal place of business could lawfully establish a branch of such bank."

A second amendment, in my opinion, would be a provision to restore the requirement which also was in the House-sponsored Spence bill, that the Federal Reserve Board would have to accept as final any disapproval by the State supervisory authority as to the acquisition of stock in a State bank, and by the Comptroller of the Currency as to the acquisition of stock in a national bank.

I am not saying these are the only changes in the Bank Holding Company Act of 1956 that should be advocated, but these are the ones that primarily are necessary to prevent

the further evasion of branch banking restrictions and for the preservation of independent banking.

Now we come to the third FTF: Finish the Fight for Independent Banking.

To my way of thinking, we are fighting on 3 fronts, and all 3 fronts, we need to act and act quickly:

At the national level we need Congressional action on merger legislation and Bank Holding Company Act amendments.

At the State level we must hold the line against extension of branch-banking areas and secure enactment of State merger and holding company laws.

At the banking level, we need more intensive organization.

NEED MORE BANKING

Not that I minimize our strength. This organization has proved its strength and has established its standing. But, our first problem is to arouse all independent bankers. There are 5,000 more banks that should be in this fight. With strong representation in a State, it will be a lot easier to secure enactment of State laws to regulate mergers and bank holding companies. With effective State laws on the books, it will be easier to get Congressional action.

No job is hard when we can break it down into small parts. To double the membership merely means that each member should undertake to secure one new member, that's all, just one new member. If those present today will do this it will add substantial strength to your organization. If there's the will, it can be done.

Don't fool ourselves. We've got to face these undermining attacks on independent banking with our eyes wide open. We've got to make decisions like grownup men, men who are confident that what we represent is in the public interest, that the business in which we are engaged has been a mighty factor in the growth and prosperity of our country, and can continue to be so. We are not playing for marbles. The future of free enterprise and our independent banking system is at stake.

You bankers are the leaders in independent banking. If you were not interested, you would not be here. But the passive gentle sort of an interest will not win this battle. Every bit of support, every bit of strength you gave to the independents' fight to secure bank holding company legislation needs to be doubled and tripled. Remember, the best defense is a strong offense.

Let's face the facts, tackle first things first, and finish the fight for independent banking.

SPANISH-AMERICAN WAR WIDOWS

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 15 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, it is now almost six decades since the commencement of the war with Spain that started our country on the way to its present position of world responsibility. Our Regular Army at that time numbered less than 25,000. Volunteers filled in the ranks, and in the Pacific and the Atlantic raw but inspired troops won victory after victory that laid the foundation of our world power. But for this and the world reshaping events that the war with Spain triggered, Dwight Eisenhower in all probability today would not be President of the United States. In all probability he would be an unknown and unsung junior officer, possibly a retired lieutenant or a captain.

But today the name, the power, and the prestige of President Eisenhower are being used in an attempt to crush from the few remaining widows of Spanish War veterans whose ages run from 75 to 90 years their last hope of sustenance. I wish to be fair to the President of the United States. From the bottom of my heart I hope that he will be able to find the time, in the pressure of his Presidential duties, to inquire into the use of his name by the Bureau of the Budget.

I might remind the President that it was the Bureau of the Budget that gave him a budget that shocked the people of the United States, that even the President himself on examination said was excessive, and that the House of Representatives already has cut over $4 billion with 2 appropriation bills still to come. But what I am referring to today, and what I am branding as infamous is the communication of June 21, 1957, to the Chairman of the Committee on Finance of the other body on the subject of increased pensions for widows of the Spanish-American War. I quote from the final paragraph of this communication:

Accordingly, enactment of S. 1926 or H. R. 358 would not be in accord with the program of the President.

I trust that the President will take prompt action, and perhaps the editor of the National Tribune will be permitted to attend the President's next press conference to ask the President if it is really in his heart that a handful of aged women, 75 to 90 years of age, should go on trying to keep body and soul together on $54.18 a month. Frankly, I do not believe that the Bureau of the Budget ever discussed this matter with the President. But as the Bureau of the Budget has put the President of the United States fairly in the center and has pinned upon him, as being contrary to his program, the giving of this relief to these aged women, the President now will have to speak for himself or take the blame that the Bureau of the Budget has pinned on him.

H. R. 358 is a bill that three times was passed by unanimous vote of this House. It was supported by the leadership on both sides, championed both by Democrats and Republicans, including the best political friends the President has in all the world. Now comes the Bureau of the Budget, without taking the trouble even to get and to state accurately the facts, saying that the decent thing that the House of Representatives did on three occasions was contrary to the President's program.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I am happy to yield to the distinguished gentleman from Kansas.

Mr. AVERY. I would like to point out to the House at this time that I know of no one in the House who has done any more work or has any more interest in the widows of the Spanish-American veterans than the gentleman from Illinois [Mr. O'HARA].

I was a member of the Committee on Veterans' Affairs in the 84th Congress, and he introduced legislation to raise the annuity to these widows. As I recall, the House passed that bill under suspension of the rules in the closing days of the 84th Congress. Is that correct?

Mr. O'HARA of Illinois. The House passed it unanimously three times, and the Spanish War veterans and the widows, now trying to exist on $54.16 a month, have not forgotten that the gentleman from Kansas supported the bill both in committee and on the floor of the House.

Mr. AVERY. And it is now pending in the Senate, if my memory serves me correctly.

Mr. O'HARA of Illinois. Yes.

Mr. AVERY. The point I wanted to bring up at this time is, I did not know that the Finance Committee of the other body was so entirely dependent upon the views of the Bureau of the Budget and the President. There would be nothing to preclude the other body taking that bill up and acting on it, because the gentleman's party is in control of the Senate now, and if they so desired they could take the bill up. Is that not correct?

Mr. O'HARA of Illinois. I would say to the gentleman that there is nothing partisan in this bill. In the House every Republican and every Democrat voted for the bill three times. I would be the last to say there is anything partisan in it. That I was selected to introduce the bill is due entirely to the circumstance that I am the only Spanish War veteran left in this body, and it would have been the same regardless of the political party with which I was affiliated.

My thought in bringing the matter up today is that I do not think the President was consulted by the Bureau of the Budget when it sent in a report that is inaccurate, unfair and puts the President of the United States in a false position.

Let me call your attention to this: The report says that the present pension of Spanish War widows is from $67.73 to $54.18. This clearly would give the impression that many of these widows are getting $67.73. The fact is that the widows who receive $67.73 were married to the veterans prior to or during the period of the Spanish-American War. That being almost six decades ago, the distinguished gentleman from Kansas knows how few are now living. The others, most of whom were married shortly after the war when the soldiers returned are getting $54.18 a month, and that is all they have. I know what a good heart the President has, and I know if he were consulted he would say, with the Members of the House, certainly this is a good bill.

Mr. AVERY. I do not think the gentleman meant to leave the impression with the House that the action in the other body was entirely dependent upon the Bureau of the Budget or the White House, because they very frequently take whatever action they desire.

Mr. O'HARA of Illinois. Yes, that is true. I think they have always shown independence, and the responsibility is on each and every Member to account for his own vote. But in fairness to the President, who is the President of all the people, the attempt to put him in a posi-

tion that reflects neither the President's mind nor heart should not be permitted to go unnoticed. I for one refuse to accept, or at least until he personally has verified it, the statement that to rescue a few aged women from the hopelessness of eking out existence on $54.18 a month is contrary to his program. The situation of these aged widows is too tragic. They have no social security. All they have is $54.18 a month. It is a terrible situation.

Why cannot the Bureau of the Budget take the same care in ascertaining accurately the facts, and in presenting them objectively, as do the committees and the professional staffs of the House? Why did not the Bureau of the Budget consult the great chairman and members of the Committee on Veterans' Affairs before making the infamous statement that the widows of the Spanish War veterans already were in a privileged class. I presume the Bureau of the Budget meant they were privileged to live luxuriously on $54.18 a month, and if they could not quite make it they were privileged to die.

The fact is that there were no records kept in the Spanish War period, there was little in the way of medicine, and the food, with the exception of "sow belly" and Civil War hardtack, was unfit to eat. For this and other good and valid reasons, all of which are well known to every member of the Committee on Veterans' Affairs, the term "non-service-connected" has never been applied to the Spanish War group. The presumption under the circumstances that prevailed at the time, and which actually is factual, is that all physical afflictions were service connected. The Bureau of the Budget easily could have obtained this information.

Mr. Speaker, I am glad to have had the opportunity today, the day after our national holiday, of bringing to the attention of the House a communication from the Bureau of the Budget that challenges the very spirit of the Fourth of July and makes a mockery of the sacred heritage of our country.

FBI FILES AND SUPREME COURT DECISIONS INVESTIGATIVE COMMITTEE

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. CRAMER] is recognized for 10 minutes.

Mr. CRAMER. Mr. Speaker, I was utterly appalled to read in this morning's newspaper a damnable condemnation of the entire Judiciary Committee, and by implication, of the whole Congress, by one of the Nation's columnists in which he implied that H. R. 7915, similar to H. R. 8388 which I introduced, which was reported out of the Judiciary Committee Tuesday and had as its effect, relating to the admissibility in evidence of certain public or FBI records in any criminal proceeding, as determined to be relevant to the defendant's case by the judge, and in an effort to clarify while fully recognizing rights of the defendant the limits set up by the Jencks case—to clarify that case and prevent from being made available for a fishing expedition by the defendant the entire raw and unverified FBI files including matter irrelevant to evidence introduced in the case which would, in my opinion, result in the complete breakdown of our criminal law enforcement system as developed and practiced in America.

I was appalled that in his column, and I have it at hand—with the headline "The Supreme Court Is Put Below the FBI"—he implied the bill was passed hurriedly, with no member of the Committee on the Judiciary having read the Jencks case, with the threat of the FBI secret files on each Member of Congress hanging over the heads of the committees, and with the effect that the bill voted out places the Supreme Court below the FBI.

I am a member of that Judiciary Committee and the ranking minority member of the special subcommittee created on the same day for the purpose of investigating questions raised by certain decisions of the Supreme Court as handed down during the last session of that Court. I cannot let such a damnable condemnation go unchallenged. I for one had fully digested the Supreme Court's decision and I know many others of the committee had also done so.

In the first place, let me review what was done by the Committee on the Judiciary.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Kansas.

Mr. AVERY. I think the gentleman is bringing a very important matter before the House. However, he has not thus far indicated what columnist he refers to and I think the RECORD should show that.

Mr. CRAMER. I think most people could guess what columnist it was. It was Drew Pearson.

The first step arose out of the Jencks case which in some instances has been interpreted in a manner by the lower courts that could substantially jeopardize our criminal law enforcement system. It was an effort to clarify the decision within the constitutional limitations set out by the Court. It is, in my opinion, and apparently the opinion of the Judiciary Committee, "must" and "emergency" legislation and it was approached from a calm and deliberate standpoint as a reading of the bill reported will show. It resulted from lengthy and careful study by a standing committee of the Committee on the Judiciary and after consideration of its report by the full committee. It was fully debated by the whole committee on Tuesday after lengthy interrogation of and testimony by the Attorney General, the Honorable Herbert Brownell, and counsel for the Treasury, David Kendall.

The bill that was reported out, I am sure when it and the report is read and filed, will clearly show its approach was made in a calm and dispassionate manner within the limitations, again I stress within the constitutional limitations, as set up in the Jencks case.

It can be well noted that the bill as reported out by the full committee was far less broad than that proposed by the subcommittee giving less discretion to the Attorney General. This, obviously, would be contrary to the wishes of the FBI and conclusively disproves the implication of the Pearson article. It further demonstrates what little factual information he had when writing his story.

The columnist, apparently, did not take time out to clearly absorb the Jencks case at all, because the decision and conclusion of the Court itself is self-explanatory and gives rise to broad interpretations, and I quote from the decision on page 15, the holding which was:

> We hold that the criminal action must be dismissed when the Government, on the ground of privilege, elects not to comply with an order to produce, for the accused's inspection and for admission in evidence, relevant statements or reports in its possession of Government witnesses touching the subject matter of their testimony at the trial.

I quote further on pages 11 and 12:

> We now hold that the petitioner was entitled to an order directing the Government to produce for inspection all reports of Matusow and Ford in its possession, written and, when orally made, as recorded by the FBI, touching the events and activities as to which they testified at the trial. We hold, further, that the petitioner is entitled to inspect the reports to decide whether to use them in his defense. Because only the defense is adequately equipped to determine the effective use for purpose of discrediting the Government's witness and thereby furthering the accused's defense, the defense must initially be entitled to see them to determine what use may be made of them. Justice requires no less.
>
> The practice of producing Government documents to the trial judge for his determination of relevancy and materiality, without hearing the accused, is disapproved. Relevancy and materiality for the purposes of production and inspection, with a view to use on cross-examination, are established when the reports are shown to relate to the testimony of the witness. Only after inspection of the reports by the accused must the trial judge determine admissibility—e. g., evidentiary questions of inconsistency, materiality, and relevancy—of the contents and the method to be employed for the elimination of parts immaterial or irrelevant.

In other words, the question of what in the file can be inspected and the relevancy thereof is completely left open; according to the Supreme Court's decision the determination of what in the files can be inspected is made not by the trial judge but by the defendant upon inspection of the full FBI files or by the Government in withholding certain matters in the file. The bill as reported out puts that determination where it should be, in the hands of the judge, to determine, first, what is relevant, what is necessary, and then the defendant is thus entitled to inspect in a case while recognizing all rights to which a defendant is entitled.

Why is this so essential? Why is this emergency legislation? Why did the committee vote it out immediately, as it was requested to do, on an emergency basis?

Let me review here briefly why it is so essential that irrelevent portions of the entire report on FBI cases be withheld from the defendent's scrutiny. Practically all of our criminal law enforcement is based upon the files of some

investigative authority, be it the Treasury Department, the Customs Department, or the FBI. The reports of the FBI are all inclusive and cover every phase of the investigation of a case and it includes not only interviews with possible witnesses but information received from confidential sources as well as voluntary statements and all the action that has been taken from the start of the investigation to the preparation of the case for trial.

The reading of an FBI report by a defendant would often enable him to learn the identity of confidential informants. Frequently the information such informants furnish is of such a nature that its very disclosure will identify its source. The uncovering of confidential informants, particularly in the internal security field, would cut off intelligency sources, and in some instances endanger the lives of the informants.

The FBI reports may contain information gathered by other intelligence investigative agencies, including those of friendly allied countries exchanging information on a cooperative basis under this Government's commitment that their identities will not be disclosed without prior consultation.

Investigative reports necessarily include the raw material of unverified complaints, allegations, and information which is checked out only if it bears upon the investigation. In some investigations it is necessary to secure the most intimate details of the personal life of a victim of a crime to aid in the identification of the wrongdoer. Thus, in the early stages of any big extortion or kidnaping case, the enemies, both real and imaginary, of a family are frequently identified to the FBI.

This personal information may subsequently prove to be wholly irrelevant in the ultimate outcome of the investigation. Nevertheless, it is in the reports, and properly so, because the FBI investigation must record all information received, whether relevant or not and whether verified or not.

These are some examples of why it would be destructive of our criminal law agencies' necessary practices and procedures to make all of this information, whether relevant or not, available to the defendant. It is certainly not justified under our present established rules of evidence.

Now, here is the crux of the problem. Here is some of the evidence which the committee had before it at the time the decision was made. Here are some of the proven, practical effects of this Jencks decision I read, which is just a few weeks old. These are facts which Pearson failed to acknowledge.

For instance, in a narcotics case in Pittsburgh shortly after the Jencks decision, defense counsel sought the production and inspection of the entire Narcotics Bureau report after the Government agent had testified. The report covered all of the investigation of the case. The judge ordered the production of the entire report based upon the Jencks case. In that case the court dismissed the case.

And, I am sure if the columnist reads the Jencks case, he will see sufficient dicta in it and sufficient statements in the opinion itself in addition to the holding, as it relates to relevancy, that those judges who want to construe it in a broad fashion, as they have done in some of these instances by broadly construing the opinion come to this conclusion, and that is the committee's concern.

In an antitrust case, also tried in the western district of Pennsylvania, the Government was required to dispense with material testimony of FBI agents because of the court's ruling that if the agents testified, their entire reports would have to be given the defense and I hasten to add without any question of determining what portion of those files were relevant or otherwise.

In a narcotics case in Georgia, trial of which was actually in progress on the day of the decision, the defense attorney immediately asked for the production of any statements that that Government witness was testifying from and any intelligence reports submitted to the Government in the investigation carried on in connection with this case.

The report by the investigator consisted of summarizations of the numerous interviews with police, drug company employees, and others. The investigator was on the stand and had testified that he had prepared the report. Two other witnesses, whose oral statements to the agents were paraphrased and summarized in his report, had already testified. The court ordered that the Government produce for inspection by the defense any of the reports relating to the events and activities about which either of the witnesses had testified or is expected to testify. The United States attorney assured the court there were no written statements by the witness but declined to produce the entire report or the summarizations of the oral statements of the witnesses to the agent which had not been read to or by the witness nor did they in any way adopt or approve these statements as correct. The agent had dictated his report after his interviews and, at best, his report was a summary of the interview, obviously hearsay evidence. The court, without further discussion, dismissed the case.

In a criminal income tax case, likewise tried in Georgia, the court dismissed the case because the Government declined to produce unauthenticated summaries of interviews with witnesses.

The Jencks case is also being interpreted to permit new trials in those cases where defendants have already been convicted.

On June 21 a defendant who had already been convicted in a criminal tax evasion case in Rhode Island moved the court to order production and handing over to the defense of the complete reports of the special agent and the revenue agent who had investigated and prepared the case. The court stated that although the defendant had not requested these reports during the trial, the court immediately entered an order granting the motion. In that case the court stated:

> In the light of the pronouncements of the majority of the Supreme Court in the Jencks case, I think there is a clear mandate to permit the defendant to examine these reports. It may well be that the result of the examination of these reports will produce material of an evidentiary value to be used in support of a motion for a new trial.

Then on June 27 the Justice Department received notice that four defendants who were convicted on May 29 of a kidnaping in Rhode Island, have filed with the same Court a motion to have turned over to them all the reports of the FBI relating to the "alleged kidnaping" as well as any statements "oral or written" made to the FBI agents by the parents of the victim. That motion will be heard on July 8.

I could go through numerous other cases showing the effect of the Jencks case.

The second problem arises from the fact that in the Jencks case, the Court ordered the Government to produce reports orally made by the witness, and the effort of this bill, H. R. 7915, is to clarify that situation. Obviously, the credibility of a witness cannot be impeached by using a statement that the witness has never seen, approved, or prepared.

A third problem arises from an interpretation of the decision which would possibly require pretrial production of such statements and reports and perhaps even minutes of grand jury proceedings, certainly a broadening of the rules of evidence never previously acknowledged by the courts.

Now, that is some of the evidence which the committee had before it, and I was reading largely from the statement of Attorney General Herbert Brownell, at the time this bill was voted out. And, I think that anyone in reviewing the Jencks decision itself and the broad interpretation given it and its dicta, can clearly see the absolute necessity of emergency legislation that in some manner will clarify the decision, in order that these cases in the future not be dismissed, because obviously the FBI cannot make available, in fairness not only to the Government but to the defendant as well, all the raw, unverified, and irrelevant records of every FBI file.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from California.

Mr. HIESTAND. I very much appreciate the profound and well-expressed statement of the gentleman from Florida. Not being a lawyer, it was especially illuminating to me. I hope that everyone studies the report. This is a very, very valuable and convincing statement, and I congratulate the gentleman.

Mr. CRAMER. I thank the gentleman. And, I would not have taken the time of the House today, Mr. Speaker, if it had not been for the fact that I rose this morning and had my breakfast ruined by Drew Pearson, who in his column carelessly and recklessly stated:

> It also pays a Congressman to be friendly to the FBI. For it has a complete rundown

on every Congressman, his private life, and his family. Furthermore, no Congressman, if defeated or desirous of another Government job, can become a judge or hold Government office without clearance from the FBI.

And, he concludes:

And the mystery is how the FBI has reached the point where it has more influence with Congress than perhaps any agency in Government.

I, for one, do not feel, not only as a member of the Committee on the Judiciary but also as a Member of this House, that a statement of that nature can be permitted to stand on the record without the people of America knowing what the facts are.

It is careless, reckless, and inexcusable for anyone, even including Pearson, to plant in the minds of the people of this country the thought that Members of Congress fear the FBI or are in any way subservient to it merely because it keeps records. It is equally obnoxious to me, and I am sure to all the Members of this body, that from this fallacious premise the conclusion is reached that because this purely fictional club is held over the heads of Members of Congress the Members do the bidding of the FBI and give the FBI special consideration or favored treatment—citing the FBI files case bill, H. R. 7915, as an example. Nothing could be further from the truth than the premise used and conclusion reached. I am sure the Members, as did the Judiciary Committee, will recognize the merit of the FBI files bill and will pass it overwhelmingly—on its merits alone—despite the unsubstantiated sniping from such columnists.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield.

Mr. HIESTAND. The columnist refers to a certain lobbyist of the FBI. I have been here 5 years, and as far as I know I have never seen that lobbyist, and I certainly do not know who he is.

Mr. CRAMER. Well, he refers to a lot of things that I disagree with and for which I can find no substantiation. He implies that members of the Judiciary Committee did not even read the Jencks case before they passed the legislation, not even the subcommittee that considered the case. I think such an accusation cannot be permitted to stand. I, for one, read the case, as I am sure many other members did, and the committee was thoroughly briefed on it.

One other subject. On the same day the special subcommittee of five, of which I have the privilege of being a member, was appointed for the purpose of looking into the matter of certain present Supreme Court decisions. I have been asked by many what is its authority; and, for the dual purpose of, first, informing the people of America and in order to inform the House what the committee is authorized to do, and, second, in the hopes of perhaps avoiding possible impact of the Watkins case limiting congressional investigations, although I do not believe the House is willing to accept that case and I do not want my statement to be so interpreted; in order that those who may be called as witnesses before the committee will be on notice as to what the committee's investigative authority is and thereby not be able to claim that they do not believe the questions asked are relevant and that they do not have the responsibility of answering under the first amendment, I want to submit in the RECORD the resolution as passed by the House. I read it:

Resolved, That a special subcommittee, consisting of five members of the Committee on the Judiciary, be constituted and authorized as a matter of the highest urgency to conduct an inquiry, take evidence, and make findings and recommendations, legislative or otherwise, to this committee at the earliest practicable date, with reference to those questions raised by decisions of the Supreme Court, handed down at the last session of the Court, which affect (1) the power of Congress to investigate, (2) Federal laws relating to subversive activities, and (3) the enforcement of Federal criminal laws.

That is the jurisdictional authority of the committee. I am sure that many Members of the House will agree that some of these decisions rendered in the past few months deserve to have complete and thorough investigation and study. Such cases as the release of a convicted rapist in the Mallory case, the release of 5 Communists convicted under the Smith Act and resulting also in new trials for 9 others, and the refusal of the right of Congress to investigate thoroughly and exhaustively into the activities of those who are supporting the overthrow of our Government in the Watkins case. I am sure this committee is going to promptly go about its activities as instructed by the full committee, it being of the highest urgency that it be done. I am further convinced our committee will act not only with dispatch but also with calm deliberation in a dispassionate frame of mind, and with complete realization of the seriousness of the task assigned to us.

CIVIL AERONAUTICS ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MACK] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MACK of Illinois. Mr. Speaker, under our present laws the Civil Aeronautics Administration may issue a pilot's license to an alien living in the United States. The Communications Act of 1934, however, prohibits issuance of a radio operator's license or a radio station license to anyone who is not a citizen of the United States.

Thus, one agency of our Government tells an alien, "Yes, it's all right for you to fly an airplane," while another agency says to the alien, "No, you can't operate an aircraft radio and, if you own a private plane, you can't have a radio installed in that plane."

Is this not a ridiculous situation? If we can permit an alien to fly an airplane, would there be any greater risk to the national security to allow him to operate a radio on that plane for the sake of his own safety, the safety of his passengers, and the safety of other planes in the sky?

Mr. Speaker, I have today introduced a bill to correct this absurdity in the law that guides the Federal Communications Commission.

My proposed amendment to the Communications Act of 1934 would permit the FCC to waive the citizenship requirement in order to issue radio licenses to aliens holding pilot's certificates issued by the CAA.

If my bill is enacted, an alien who has a CAA pilot's license could get a license to operate a radio in someone else's plane. He also could be granted a license for a radio in his own plane.

Radio is one of the most valuable safety aids that a flyer has. Let us not deny this aid to any pilot licensed by the United States Government.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN for 15 minutes today and to revise and extend his remarks and include extraneous material.

Mr. O'HARA of Illinois for 15 minutes today.

Mr. VURSELL for 20 minutes on Wednesday next.

Mr. CRAMER for 10 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PORTER in two instances and include extraneous matter.

Mr. PATMAN in three instances and include extraneous matter.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 943. An act to amend section 218 (a) of the Interstate Commerce Act, as amended, to require contract carriers by motor vehicle to file with the Interstate Commerce Commission their actual rates or charges for transportation service; to the Committee on Interstate and Foreign Commerce.

S. 944. An act to amend the act of August 30, 1954, entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes"; to the Committee on the District of Columbia.

S. 977. An act to suspend and modify the application of the excess land provisions of the Federal reclamation laws to lands in the East Bench unit of the Missouri River Basin project; to the Committee on Interior and Insular Affairs.

S. 1383. An act amending section 410 of the Interstate Commerce Act, to change the requirements for obtaining a freight forwarder permit; to the Committee on Interstate and Foreign Commerce.

S. 1461. An act to amend section 212 (a) of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

S. 1489. An act to amend title 14, United States Code, entitled "Coast Guard," with respect to warrant officers' rank on retirement, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 1520. An act to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes"; to the Committee on Public Works.

S. 1971. An act to amend sections 4 (a) and 7 (a) of the Vocational Rehabilitation Act; to the Committee on Education and Labor.

S. 2250. An act to amend the act of August 5, 1955, authorizing the construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2261. An act to amend and extend the Public Building Purchase Contract Act of 1954, as amended, and the Post Office Department Property Act of 1954, as amended, and to require certain distribution and approval of new public building projects, and for other purposes; to the Committee on Public Works.

S. 2448. An act to authorize payment to the Government of Denmark; to the Committee on Foreign Affairs.

S. Con. Res. 39. Concurrent resolution providing for the printing as a Senate document and for additional copies of the report of the Commission on Government Security; to the Committee on House Administration.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 1, 1957, present to the President, for his aproval, bills and a joint resolution of the House of the following titles:

H. R. 5139. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1958, and for other purposes;

H. R. 6659. An act to extend and amend laws relating to the provision and improvement of housing, to improve the availability of mortgage credit, and for other purposes; and

H. J. Res. 391. An act making temporary appropriations for the fiscal year 1958, and for other purposes.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 40 minutes p. m.), under its previous order, the House adjourned until Monday, July 8, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1006. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to authorize the appointment of Robert Wesley Colglazier, Jr., as permanent brigadier general of the Regular Army"; to the Committee on Armed Services.

1007. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to authorize the appointment of Philip Ferdinand Lindeman as permanent colonel of the Regular Army"; to the Committee on Armed Services.

1008. A letter from the liaison assistant, Theodore Roosevelt Centennial Commission, transmitting the interim report of the Theodore Roosevelt Centennial Commission, pursuant to Public Law 183, 84th Congress; to the Committee on the Judiciary.

1009. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to promote the interests of national defense through the advancement of the scientific and professional research and development program of the Department of Defense, to improve the management and administration of the activities of such Department, and for other purposes"; to the Committee on Post Office and Civil Service.

1010. A letter from the Executive Secretary, National Advisory Committee for Aeronautics, transmitting a draft of proposed legislation entitled "A bill to promote the interests of national defense through the advancement of the aeronautical research programs of the National Advisory Committee for Aeronautics"; to the Committee on Post Office and Civil Service.

1011. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (1)); to the Committee on the Judiciary.

1012. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of the orders granting the applications for permanent residence filed by the subjects, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1013. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

1014. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a) (5)); to the Committee on the Judiciary.

1015. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 9, 1957, submitting a report, together with accompanying papers and an illustration, on a review of reports on Bar Harbor, Maine, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted May 10, 1945; to the Committee on Public Works.

1016. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 21, 1957, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Hacks Creek, Northumberland County, Va., authorized by the River and Harbor Act approved June 30, 1948; to the Committee on Public Works.

1017. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 17, 1957, submitting a report, together with accompanying papers and an illustration, on a review of reports on the Ohio River at Evansville, Ind. (Pigeon Creek), requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 29, 1955; to the Committee on Public Works.

1018. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 2, 1957, submitting a report, together with accompanying papers on a letter report on Eufaula Reservoir, Okla., authorized by the Flood Control Act, approved June 22, 1936; to the Committee on Public Works.

1019. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 8, 1957, submitting a report, together with accompanying papers and an illustration, on a letter report on Dirty Creek, Okla., authorized by Flood Control Act, approved August 11, 1939; to the Committee on Public Works.

1020. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 8, 1957, submitting a report, together with accompanying papers and an illustration, on a letter report on Arkansas River, Ark. (Grand Prairie), authorized by the River and Harbor Act approved July 24, 1946; to the Committee on Public Works.

1021. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 10, 1957, submitting a report, together with accompanying papers and an illustration on a review of report on Siuslaw River and Bar, Oreg., requested by a resolution of the Committee on Commerce, United States Senate, adopted May 16, 1939, and authorized by the River and Harbor Act approved July 24, 1946 (H. Doc. No. 204); to the Committee on Public Works and ordered to be printed with one illustration.

1022. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to amend section 69 of the Hawaiian Organic Act", to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RHODES of Arizona: Committee on Interior and Insular Affairs. Part 2: Minority Views on H. R. 2147. A bill to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes (Rept. No. 664). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee of conference. H. R. 7441. A bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 682). Ordered to be printed.

Mr. COOLEY: Committee of conference. S. 1314. An act to extend the agricultural Trade Development and Assistance Act of 1954, and for other purposes (Rept. No. 683). Ordered to be printed.

Mr. COOPER: Committee of conference. H. R. 7238. A bill to amend the public assistance provisions of the Social Security Act so as to provide for a more effective distribution of Federal funds for medical and other remedial care (Rept. No. 684). Ordered to be printed.

Mr. FRAZIER: Committee on the Judiciary. House Joint Resolution 354. Joint resolution to authorize the designation of October 19, 1957, as National Olympic Day; without amendment (Rept. No. 685). Referred to the House Calendar.

Mr. FRAZIER: Committee on the Judiciary. House Joint Resolution 378. Joint resolution designating the week beginning June 30, 1957, as National Safe Boating Week;

with amendment (Rept. No. 686). Referred to the House Calendar.

Mr. BLATNIK: Committee on Public Works. S. 1361. An act to revive and reenact the act entitled "An act authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a bridge across the Pigeon River"; without amendment (Rept. No. 688). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. S. 2420. An act to extend the authority for the enlistment of aliens in the Regular Army, and for other purposes; without amendment (Rept. No. 689). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS: Committee on Armed Services. H. R. 912. A bill to amend the Navy ration statute so as to provide for the serving oleomargarine or margarine; with amendment (Rept. No. 690). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARDY: Committee on Armed Services. H. R. 5382. A bill to amend section 301 of the Servicemen's and Veterans' Survivor Benefits Act to provide for expeditious payment of the death gratuity by the military departments; with amendment (Rept. No. 691). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 6078. A bill to provide for the erection of suitable markers at Fort Myer, Va., to commemorate the first flight of an airplane on an Army installation, and for other purposes; without amendment (Rept. No. 692). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Armed Services. H. R. 7140. A bill to amend title 10, United States Code, to authorize a registrar at the United States Military Academy, and for other purposes, without amendment (Rept. No. 693). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 7576. A bill to further amend the Federal Civil Defense Act of 1950, as amended, and for other purposes; without amendment (Rept. No. 694). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 7696. A bill to authorize certain persons to wear the uniform of a Reserve officers' training corps; without amendment (Rept. No. 695). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Armed Services. H. R. 7697. A bill to provide additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States; with amendment (Rept. No. 696). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATTERSON: Committee on Armed Services. H. R. 7912. A bill to authorize, in case of the death of a member of the uniformed services, certain transportation expenses for his dependents; without amendment (Rept. No. 697). Referred to the Committee of the Whole House on the State of the Union.

Mr. REECE of Tennessee: Committee on Armed Services. H. R. 7914. A bill to amend the Career Compensation Act of 1949 to provide incentive pay for human test subjects; without amendment (Rept. No. 698). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. H. R. 8121. A bill to establish the Office of the Deputy Judge Advocate General of the Navy, and for other purposes; with amendment (Rept. No. 699). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 7915. A bill to amend section 1733 of title 28, United States Code; with amendment (Rept. No. 700). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KILDAY: Committee on Armed Services. H. R. 7198. A bill for the relief of Col. Russell King Alspach; without amendment (Rept. No. 687). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H. R. 8521. A bill to provide that certain confessions and other statements shall be admissible in evidence in the courts of the United States; to the Committee on the Judiciary.

By Mr. ARENDS:

H. R. 8522. A bill to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes; to the Committee on Armed Services.

By Mr. BAUMHART:

H. R. 8523. A bill to amend the Internal Revenue Code of 1954 so as to permit the payment of the estate tax in installments; to the Committee on Ways and Means.

By Mr. BELCHER:

H. R. 8524. A bill to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouri Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians; to the Committee on Interior and Insular Affairs.

By Mr. HARRIS:

H. R. 8525. A bill to amend the Natural Gas Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. O'HARA of Minnesota:

H. R. 8526. A bill to amend the Natural Gas Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BERRY:

H. R. 8527. A bill to authorize the Administrator of Veterans' Affairs to negotiate a new contract with the city of Sturgis, S. Dak., with respect to the use of the sewage facilities of such city by the Fort Meade Veterans' Hospital, Sturgis, S. Dak.; to the Committee on Veterans' Affairs.

By Mr. BLATNIK:

H. R. 8528. A bill to provide that there shall be two county committees elected under the Soil Conservation and Domestic Allotment Act for certain counties; to the Committee on Agriculture.

By Mr. BOYKIN:

H. R. 8529. A bill to amend the Federal-Aid Highway Act of 1956 with respect to its application to toll bridges and tunnels on the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. BRAY:

H. R. 8530. A bill to permit farmers in areas affected by excessive rainfall and flooded conditions to include acreage in the acreage reserve program up to July 31, 1957; to the Committee on Agriculture.

By Mr. BROOKS of Louisiana:

H. R. 8531. A bill to provide an interim system for appointment of cadets to the United States Air Force Academy for an additional period of 4 years; to the Committee on Armed Services.

By Mr. BURNS of Hawaii:

H. R. 8532. A bill to amend the Hawaiian Organic Act with respect to interim appointments by the Governor; to the Committee on Interior and Insular Affairs.

By Mr. COOPER:

H. R. 8533. A bill to amend title II of the Social Security Act to include Tennessee among the States which may obtain social-security coverage, under State agreement, for State and local policemen and firemen; to the Committee on Ways and Means.

By Mr. CRAMER:

H. R. 8534. A bill to amend section 239 of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. CUNNINGHAM of Iowa:

H. R. 8535. A bill to amend title 10, United States Code, to provide for the readiness of industrial capacity for defense production or mobilization reserve purposes; to the Committee on Armed Services.

By Mr. DIXON:

H. R. 8536. A bill to amend the Packers and Stockyards Act, 1921, to clarify the jurisdiction of the Secretary of Agriculture thereunder, and for other purposes; to the Committee on Agriculture.

By Mr. EBERHARTER:

H. R. 8537. A bill to amend title II of the Social Security Act to include the Delaware River Port Authority and the Delaware River Joint Toll Bridge Commission, corporate instrumentalities of the States of Pennsylvania and New Jersey, and the Port of New York Authority, a corporate instrumentality of the States of New Jersey and New York, with the States which are permitted to divide their retirement systems into two parts so as to obtain social-security coverage, under agreement, for only those employees of the Delaware River Port Authority, of the Delaware River Joint Toll Bridge Commission and of the Port of New York Authority who desire such coverage; to the Committee on Ways and Means.

By Mr. HARRIS:

H. R. 8538. A bill to amend section 402 of the Civil Aeronautics Act of 1938; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRISON of Nebraska:

H. R. 8539. A bill to create an Agricultural Research and Industrial Board; to define its powers and duties; and for other purposes; to the Committee on Agriculture.

By Mr. KILGORE:

H. R. 8540. A bill authorizing Gus A. Guerra, his heirs, legal representatives, and assigns, to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.; to the Committee on Foreign Affairs.

By Mr. McGOVERN:

H. R. 8541. A bill to provide that certain lands shall be held in trust for the Crow Creek Sioux Tribe in South Dakota; to the Committee on Interior and Insular Affairs.

H. R. 8542. A bill to provide that the United States shall take title to certain lands in trust for Indian tribes, bands, or groups; to the Committee on Interior and Insular Affairs.

By Mr. MACK of Illinois:

H. R. 8543. A bill to amend the Communications Act of 1934 to authorize, in certain cases, the issuance of licenses to noncitizens for radio stations on aircraft and for the operation thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. METCALF:

H. R. 8544. A bill to provide for the restoration to tribal ownership of all vacant and undisposed of ceded lands on certain Indian

reservations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORRIS:

H. R. 8545. A bill to amend title 10, United States Code, with respect to agreements for length of service of graduates of the United States Military, Naval, and Air Force Academies, and for other purposes; to the Committee on Armed Services.

By Mr. PATTERSON:

H. R. 8546. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of plumbing brass goods; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 8547. A bill to authorize the disposal of certain uncompleted vessels; to the Committee on Armed Services.

By Mr. SIKES:

H. J. Res. 394. Joint resolution proposing an amendment to the Constitution of the United States relating to the powers reserved to the States by the 10th amendment to the Constitution; to the Committee on the Judiciary.

H. J. Res. 395. Joint resolution proposing an amendment to the Constitution of the United States vesting the Senate of the United States with certain appellate court functions; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alabama, memorializing the President and the Congress of the United States to enact legislation allowing the Federal judges of the district courts of the United States to direct verdicts in jury cases only in accordance with the scintilla evidence rule of the common law; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Alabama, memorializing the President and the Congress of the United States relative to proposing amendments to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 8548. A bill for the relief of Candida Giovanna Pirecca Nardi and Vito Pirecca Nardi; to the Committee on the Judiciary.

By Mr. BALDWIN:

H. R. 8549. A bill for the relief of Teresa M. Reyes; to the Committee on the Judiciary.

By Mr. BOSCH:

H. R. 8550. A bill for the relief of Ernst Windmeier; to the Committee on the Judiciary.

H. R. 8551. A bill for the relief of Alfonso De Martino; to the Committee on the Judiciary.

By Mr. DAWSON of Utah:

H. R. 8552. A bill for the relief of Michael Prevedourakis; to the Committee on the Judiciary.

By Mr. FISHER:

H. R. 8553. A bill for the relief of Stewart Chiu Hao Wu and Virginia Wu; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 8554. A bill for the relief of Charles and Aida Rosen; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 8555. A bill for the relief of Sussanne Leiminger McDonald and Kathe Rita Leiminger McDonald; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H. R. 8556. A bill for the relief of Mrs. Maria Richter Cornell and her minor daughters, Irene Theopile Richter and Beatriz Isabel Richter; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Questions and Answers on H. R. 11, an Amendment to Robinson-Patman Act

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 5, 1957

Mr. PATMAN. Mr. Speaker, during recent days the Members have referred to me questions received by them regarding H. R. 11. Effort has been made to supply answers to the Members who referred to questions. However, some questions have been repeated a number of times. Therefore, for the benefit of Members and others I shall insert in the RECORD at this point answers I have made to a number of those questions. The questions and answers are as follows:

1. Question. Why do we have Federal laws against price discrimination?

Answer. Congress conducted extensive investigations respecting the practice of price discrimination during the periods of 1875–90, 1912–14, and 1935–36, and so did the Bureau of Corporations during the period 1903–14 and its successor, the Federal Trade Commission, during the period 1928–34. Each of those investigations uncovered an abundance of evidence demonstrating that the practice of price discrimination was used widely by large sellers with the effect and result of destroying competition and creating monopolies. Therefore, Congress acted to curb the practice of price discrimination because it had been found to be a monopolistic practice.

2. Question. Why is H. R. 11 needed?

Answer. The Federal Trade Commission in its official formal report on H. R. 11 to the Committee on the Judiciary, House of Representatives, March 12, 1957, in effect stated that the decision by the Supreme Court of the United States in the case of the *Standard Oil Company of Indiana* v. *Federal Trade Commission* (340 U. S. 231) and other recent decisions in similar cases have made it clear that notwithstanding Federal legislation against price discrimination a large seller may now discriminate in price even where the effect may be to substantially lessen competition and tend to create a monopoly. Therefore, the Commission stated that it is of the opinion that the objectives of H. R. 11 * * * are of sufficient importance to the effective operation of the Clayton Act that such legislation should be enacted without awaiting further case by case development.

In the light of those circumstances it appears that it is time for each of us to reexamine our position on the question of whether we are for a free and competitive enterprise system or for a system of monopoly. When that is done, I am confident that a majority will be found who are still opposed to a substantial lessening of competition and a tendency to monopoly and are therefore in favor of H. R. 11, the equality of opportunity bill. It is a bill against monopolies.

3. Question. Would the law as amended by H. R. 11 apply to local sales by retail stores?

Answer. No. The law applies only to interstate sales and shipments.

4. Question. Would the law as amended by H. R. 11 apply to local sales by wholesalers?

Answer. It would apply only to interstate sales and shipments. Therefore, since wholesalers and jobbers ordinarily sell only in a single State it would not apply to such sales. On March 18, 1957, I made a statement outlining in detail how the equality of opportunity bill, H. R. 11, would and would not apply to independent oil jobbers. That statement appears in the RECORD commencing at page 3875 of March 18, 1957.

5. Question. How will H. R. 11 affect freight absorption?

Answer. The bill will not prevent freight absorption. In the RECORD of March 18, 1957, page 3892, I inserted a statement outlining why it is considered that H. R. 11 will not prevent freight absorption. I refer to that statement for the benefit of those who wish to review more material dealing with that point.

6. Question. Will the law as amended by H. R. 11 prevent sellers from reducing prices to meet competition?

Answer. No. There is nothing in the Clayton Act, the Robinson-Patman Act, or in H. R. 11 forbidding price reductions. Under those provisions of law any seller would remain free to lower his price to any level he chooses to meet competition or for any other purpose. Those provisions of the law do not deal with the question of price reductions. They deal only with the practice of price discrimination.

7. Question. Describe a situation in which the law could be applied if it were amended by H. R. 11.

Answer. Under date of March 8, 1957, the Armstrong Creamery Co., of Wichita, Kans., wrote a letter to Members of Congress and to Members of the Senate in which price discrimination practices of the National Dairy Products Corp. were outlined. That up-to-date instance of price discrimination was described by the Armstrong Creamery Co. as follows:

"Recently the National Dairies Division (Sealtest) at Kansas City lowered the price of ice cream 25 cents per gallon throughout this area. Discounts and all other factors considered, this new price is lower than 97 percent of the sales volume in the area before Sealtest lowered the price. This low price makes it impossible for any dairy to sell ice cream at a profit, and if continued very long will force a number of independent plants out of business. At the same time Sealtest has been raising prices in other areas where competitive situations are as bad, or worse, than they are here.

"The plain fact is that through ineptness and mismanagement, Sealtest has lost a lot of volume in the past few years and has taken this method of regaining their position. Right now they can use the excuse that they are meeting the price of the 3 percent of the volume which was sold at a cutthroat figure (and which will always be sold that way).

"Of course, Sealtest's profits in other areas will more than carry the losses they will take in this one."

The letter of the Armstrong Creamery Co. concluded as have many others I have received from small and independent business concerns in a plea for the passage of H. R. 11. The closing words of that letter were: "It is the only salvation for a great number of independent businesses."

8. Question. Since H. R. 11 is designed to eliminate destructive price discriminations which substantially lessen the competition and tend to create monopoly, who are those opposing it and why?

Answer. Most big business concerns such as National Dairy Products Corp. and the giant major oil companies are opposed to the passage of H. R. 11. Need we discuss the details of why when we have before us examples of the practice of price discrimination such as the one outlined by the Armstrong Creamery Co., of Wichita, Kans.?

The Most Serious Default of Leadership

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Friday, July 5, 1957

Mr. PORTER. Mr. Speaker, President Eisenhower's default of leadership has its most serious consequences in connection with our nuclear weapons policies. The following exchange of letters illustrates this point. If we had any basis for believing that appropriate consideration meant anything or that even consideration was being given to these problems relating to the survival of human life on this globe, we might have more cause for encouragement.

Under leave to extend my remarks in the RECORD, I include the following correspondence:

JUNE 7, 1957.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: We, the undersigned Members of Congress, respectfully and urgently call on you to support five steps in the direction of survival in the face of the awesome peril arising from the development of nuclear weapons.

You have repeatedly pointed out the terrifying proportions of the present situation. "Humanity," you said in your September 19, 1956, broadcast, "has now achieved, for the first time in its history, the power to end its history."

Humanity's history may in fact end in the space of a few hours. Three nations have the means to end it. An accident could trip the mechanism of retaliation. A limited war could spiral out of control. The U. S. S. R. could coldly calculate that time is on the side of the Free World and that it could win an all-out war even with its back broken by our counterattacks.

We realize that these thoughts are not new to you, Mr. President. You recognize your duty and we recognize ours. We surely agree both on the magnitude and the imminence of the nuclear danger. Here indeed is a brink on which we and all the world teeter. Contemplating the abyss need only occupy a moment. Then our efforts must turn toward regaining our balance and moving to solid ground.

Our long term goal of arriving on this solid ground safely away from the nuclear abyss is of course a workable disarmament agreement and we are encouraged by the vigor of your policies in this area. But results here are too far in the future and today we do not dare rely solely on our enemy's fear of massive retaliation. Fear of mutual destruction is a flimsly basis for balance at the brink of the abyss.

We most earnestly ask that you place your full official and personal weight behind the following five measures, all of which are, in our opinion, likely to aid in the survival of mankind, whether of not nuclear war comes.

1. A National Radiation Institute of Health, with sufficient funds to conduct a large-scale research program: There is apparently no scientific doubt that the worldwide radiation generated in an all-out war of H-bombs would be a hazard to life over the whole globe. Scientists also seem to be agreed that the testing of H-bombs involves at least a certain risk. The issue is over the immediacy of the radiation danger—that is, just how many tests the different nations may conduct before the cancer threshold is crossed. This must be measured against the contribution tests make to our military security.

Without now judging this question, however, we feel that the potential danger alone justifies a much greater effort to explore the possibilities for the treatment or, hopefully, prevention of radiation-induced cancer, leukemia, and cell degeneration.

2. Vigorous reassertion of your support of an international Atomic Energy Agency: We believe that the vast majority of the American people are fully behind your dramatic effort to develop peaceful uses of the atom through the United Nations. As Congressmen, we are anxious for the momentum behind these proposals to be sustained.

The exercise of your prestige and leadership will not only insure the passage of the appropriate legislation it will also present the proper image of the United States as a nation devoted to using the atom to build a better world.

3. A national shelter program: The policy of mass evacuation, on which the United States planned to rely in a war of atom bombs, is now outmoded by the vastly more powerful H-bombs. A 50-megaton H-bomb can incinerate all life within a radius of 15 miles of the explosion. Within a few days the people who live in the downwind area of fallout will also sicken and die.

Under these circumstances, it appears prudent and imperative to provide some form of shelter for our people at the places where they live and work.

Our capacity to take a blow and keep on fighting is just as important as our ability to deliver one. An adequate system of shelters will therefore give pause to a potential aggressor and make a formidable contribution to our policy of deterrence.

4. Your appointment of a Special Advisory Committee to the AEC vested with authority to declassify data on radiation: We recognize that secrecy about some kinds of data on radiation may be vital to our national security. On the other hand, official silence or even reassurances have on several occasions in the past been followed by contrary evidence from independent scientific sources, for example, the Japanese physicists who analyzed the fallout from our Pacific tests.

Such incidents breed suspicion and an emotional approach toward the tests, making it difficult for the American people to reach a fair judgment. We are convinced that the public has the right to judge the issue for itself. Consistent with security, the people should be given the information they need to do so.

5. Increased emphasis on military formations capable of fighting limited or brushfire engagements: As you have cogently observed, concentration upon massive weapons in the fields of research and delivery can lead to a dead end in strategic thinking.

The enemy is too likely to calculate that we would permit him to retain a modest conquest rather than invoke a nuclear exchange. The only successful counter to this kind of limited attack is the capacity to meet the attack at the spot where it occurs.

To have this capacity we would need very flexible forces armed with both conventional and atomic weapons. We would also need many more troop-carrying airplanes than we now have on hand.

We as Members of Congress want to do our part in averting the suicide of the human race. Each of us whose name is signed below believes that this issue transcends partisanship. We respectfully request your personal attention to these proposals and stand ready to provide additional information.

Sincerely,

CHARLES O. PORTER
(*And Six Other Members of Congress*).

THE WHITE HOUSE,
Washington, June 12, 1957.

The Honorable CHARLES O. PORTER,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN PORTER: The President has asked me to thank you sincerely for your June 7 letter, cosigned by 7 of your colleagues, urging him to "place (his) full official and personal weight" behind 5 specific measures which relate to atomic warfare and health hazards and to the character of our Armed Forces. The President asked me to assure you that he will continue his efforts to deal effectively with each of the problems mentioned. He, of course, welcomes the close attention you and your colleagues have devoted to these crucial problems facing our country.

With best wishes.

Sincerely yours,

WILTON B. PERSONS,
The Deputy Assistant to the President.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 22, 1957.

The PRESIDENT,
The White House.

DEAR MR. EISENHOWER: I have received General Persons' letter of June 12, replying to my letter of June 7, cosigned by 7 of my colleagues, and I am now writing to ask that you undertake the comment specifically on each of the 5 specific measures set forth in the letter.

I do not need to be assured that you will continue to attempt to do your best to deal effectively with each of these problems and, of course, I know you welcome the close attention of Congress to such problems.

I recognize very well the immense demand of your job and it seems quite appropriate to ask that you take a definite stand on each of these five matters since they are intimately related to human survival in the face of imminent peril.

I hope that you will see fit to reply specifically to my June 7 letter.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

THE WHITE HOUSE,
Washington, June 26, 1957.

The Honorable CHARLES O. PORTER,
House of Representatives,
Washington, D. C.

DEAR MR. PORTER: Further respecting your June 7 letter, my June 12 reply, and your June 22 request for supplementary comments, I have been requested to advise you in respect to the questions raised in the June 7 letter that: (1) The suggested National Radiation Institute of Health will receive appropriate consideration; (2) the International Atomic Energy Agency Treaty has

just been ratified by the Senate; (3) Presidential views respecting civil defense needs are reflected in legislation recently considered by the House Armed Services Committee, on which administration witnesses have testified at length; (4) the suggested Special Advisory Committee will likewise receive appropriate consideration; and (5) recent executive branch testimony on the pending defense appropriation and mutual security legislation presents Presidential concepts and programs respecting conventional and nuclear weapons and all other major aspects of our defense efforts.

Your further interest in these matters is appreciated.

With best wishes.

Sincerely yours,

WILTON B. PERSONS,
The Deputy Assistant to the President.

Two Questions About H. R. 11: Interstate Commerce and Suppliers' Price Cuts To Help Retailers Meet Local Competition

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, July 5, 1957

Mr. PATMAN. Mr. Speaker, I have a letter of March 14 from the San Francisco Petroleum Retailers Association, Inc., which asks two quite specific questions about the equality of opportunity bill, H. R. 11. Believing that other small-business people, as well as Members, may be interested in these questions and my answers, I am offering for the RECORD the letter from the San Francisco Petroleum Retailers Association, Inc., together with my reply, both of which follow:

SAN FRANCISCO PETROLEUM
RETAILERS ASSOCIATION, INC.,
San Francisco, Calif., March 14, 1957.

Hon. WRIGHT PATMAN,
House of Representatives, House Office, Building, Washington, D. C.

DEAR SIR: In order to aid us in combating the propaganda that the oil companies are putting out to their dealers to get them to oppose H. R. 11, we would like an answer from you that we can use in our letters, bulletins, and press releases.

Specifically the statements have been made that H. R. 11 would not apply to California, and also that in the event of an independent dropping his price in an area, the major supplier would not be able to help their dealer in that area. The two statements are, of course, incongruous, but are typical of the steps that are being taken to defeat this legislation.

Our legal counsel has advised us that naturally H. R. 11 would apply in California, and we are going on that premise.

As I mentioned above, we would like a complete explanation from you as to the ramifications that H. R. 11 would have if passed, and your permission to use this information to the fullest.

The board of directors of the San Francisco Petroleum Retailers have voted in favor of supporting this bill, and we will contact all the Members of Congress from this State to that effect.

Thank you for your courtesy, and the best of luck for a winning battle.

Yours truly,

SAN FRANCISCO PETROLEUM
RETAILERS ASSOCIATION.

MARCH 19, 1957.

Mr. WALLACE E. PETTIGREW,
San Francisco Petroleum Retailers Association, San Francisco, Calif.

DEAR MR. PETTIGREW: I am glad to have your letter of March 14 asking me for statements which will explain what the equality of opportunity bill, H. R. 11, would do.

I am enclosing pages from the CONGRESSIONAL RECORD which contain statements by me, explaining both the purpose of the bill and how it would work.

To give brief answers to your specific questions, however, they are as follows:

First, you ask whether H. R. 11 would apply in the State of California. The answer is that it would apply in all States and in the District of Columbia. However, since the bill involves Federal law, and not a State law, it would apply only to those companies that are in interstate commerce. The question of whether a company is in interstate commerce is, in some instances, a rather technical one, but in general it means that the company must be in business in more than one State, or that it sells its products in more than one State. As a general rule, the bill would not apply to sales made by a single store retailer, although it would give protection to such a retailer from the discriminatory selling practices of a company which is in interstate commerce.

Your second question is whether a major oil company from which you purchase supplies would be able to drop its price to you, in order to help you meet local competition. The answer is that the oil company could drop its price to you, within certain limitations. The limitations are that the bill would create a strong tendency to require the major oil company, if it drops the price to you, to drop the price also to its other dealers who are in competition with you. I use the phrase "strong tendency" for this reason: The bill does not require the supplier to accord absolutely fair and equal treatment to its competing dealers; but it does forbid the supplier to discriminate among its dealers to such a serious extent that the effect may be, in the language of the bill, "substantially to lessen competition or tend to create a monopoly."

In other words, it is this key language which I have quoted above which would determine whether or not your supplier's discriminatory selling practice is illegal. This is the same language which defines an illegal merger of corporations, under section 7 of the act; and it is the same language which defines an illegal exclusive-dealing agreement and an illegal tie-in sales agreement under section 3 of the act.

I hope that these remarks and my enclosed statements will clarify all of the issues for you.

I am,

Sincerely yours,

WRIGHT PATMAN.

Democrats' Dilemma: Civil Rights

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Friday, July 5, 1957

Mr. PORTER. Mr. Speaker, the civil-rights discussions now being launched in the other body can result in grievous hurt to the Democratic Party and to the cause of liberalism in the United States. It is a tribute to the character of the Democrats in this House that no such wounds occurred when the legislation was before us.

An acute and timely analysis of the dilemma facing us Democrats appears in the New York Times magazine section for July 7, 1957. It is written by my good friend and distinguished fellow Oregonian, RICHARD L. NEUBERGER, the junior Senator from Oregon. As always he writes without pulling his punches and on a solid basis of pertinent facts. I am glad to associate myself with his views on this crucial matter.

The article follows:

WASHINGTON.—Can the Democratic Party of today actually be regarded as the majority party in the Nation?

This is what many of its partisans claim, and this is what might be assumed from the fact that the Democrats have held numerical superiority in both branches of Congress during most of President Eisenhower's residency at the White House.

It is my belief that this supremacy is far more illusory than real. In truth, the Democratic Party now confronts its greatest crisis in modern times. If the crisis is not successfully weathered, the result could be banishment for the Democrats for many decades from the executive branch of Government. Conversely, mastery of the crisis by the Democrats might mean a return to the political glories of the New Deal, for the Republicans are likewise not without their grave and serious problems.

In the 2½ years that I have been a Member of the United States Senate, a pair of situations have surprised me more than any others. One is the depth and even grimness of the feeling against granting equality to the Negro on the part of many southern Democrats. The other is the hostility of most Republican Senators—and this includes even some of the so-called modern Republicans—toward the mildest kind of social and economic reform.

These two circumstances pose both the sternest challenge to the Democratic Party and its principal opportunity. Of the existence of the challenge there can be no doubt, for the political timbers of the Democratic party have not required such propping and sheathing since the Hoover landslide of 30 years ago.

Although it has won five comparatively recent presidential elections, nevertheless the share of the popular vote collected by the Democratic Party throughout the Nation has declined steadily ever since 1944—and this is particularly true in the teeming metropolitan areas where most Americans live. And, while some Democrats unquestionably derive satisfaction from the party's continued statistical preponderance in both Chambers of Congress, the very nature of this advantage should afford some concern to those who trust that the Democratic Party soon will return to national office.

While the influence of the South in party affairs is doubtless a factor contributing to the dwindling proportions of the Democratic vote in the strategic urban counties of the East, it is a harsh reality that the Democrats would be far outnumbered in the Senate and the House were it not for their nearly unanimous congressional victories in the States which lie below the Mason and Dixon line.

The statistics in this respect are both decisive and startling. They emphasize that the Democratic dominance in the Nation outside the South is a myth. In the 1956 elections, the Democrats nationally polled 1,160,000 more votes than the Republicans in contests for House seats, and 1,500,000 more votes where Senatorial desks were at stake. But what occurs when the single-party South is removed from this compilation? The Democrats then become 2,600,000 votes shy of their Republican rivals in House con-

tests and 1,300,000 votes wanting in contested engagements for Senate seats.

The inevitable conclusion from all this is that the Democrats, in addition to their stunning defeats for the Presidency in 1952 and again in 1956, are definitely a minority party in the States where actual battles are waged over Senate and House positions. For example, the Democrats now hold a margin of 49 to 46 in the Senate, with 1 place vacant since the death of Senator McCarthy. A similar margin prevailed in the last Congress. Yet even this slim majority is founded completely on 22 safely Democratic seats from 11 Southern States, where senatorial elections go to the Democrats practically by default. If these southern seats were split equally between the parties, the result would be decisive Republican rule in the Senate by an edge of at least 58 to 38.

Thus the Democratic Party is in the anomalous position of being dependent for its Congressional majorities on an element that is a liability nationally—the Southerners who oppose civil-rights legislation. It is this question that threatens the party's future. Virtually all southern Democrats oppose Federal legislation guaranteeing the Negro his voting privileges and civil liberties. With any matter even remotely touching the race question at issue, earnest southern liberals like LISTER HILL and JOHN SPARKMAN of Alabama must take the same essential position—albeit not so flamboyantly—as JAMES O. EASTLAND of Mississippi and RICHARD RUSSELL of Georgia. Some of the political realities ruling the South were demonstrated in 1956 when the elderly Senator Walter F. George of Georgia, himself a longtime foe of civil-rights legislation, had to give way before a young challenger who differed from Senator George only by adopting a more strident attitude toward this problem.

When even Democrats with the liberal reputation of J. W. FULBRIGHT, of Arkansas, and ALBERT GORE, of Tennessee, stand against resolutions to limit debate so the Senate can finally vote on civil-rights proposals, this becomes a heavy burden for their colleagues to carry in Northern States. Indeed, I believe his allegedly "moderate" posture on civil rights was Adlai Stevenson's greatest single liability during the recent Presidential campaign. The civil-rights dilemma loads down the Democrats in the North, as the Old Man of the Sea sat athwart the shoulders of Sindbad the Sailor.

The assumption has been made that this liability prevails only among Negro voters. I doubt if any conclusion could be more fallacious. During the 1956 campaign my wife and I delivered more than 350 speeches urging the reelection of Senator WAYNE MORSE. We were continually confronted with the charge that a vote for Senator MORSE, the Democrat, was a vote to continue Senator EASTLAND as chairman of the Senate Judiciary Committee, where civil-rights legislation normally originates. This contention could not have come predominantly from Negroes, for less than 2 percent of Oregon's population is colored.

Furthermore, Senator MORSE himself had protested the accession of Senator EASTLAND to the Judiciary chairmanship, while Mrs. Neuberger and I, as State legislators, had been sponsors of Oregon's own Fair Employment Practices Act and State civil-rights bill. Yet we still were kept on the defensive over the hostility to civil rights on the part of many of my southern colleagues.

Of course, the charge has hurt the party with Negro citizens, too. After his narrow defeat for reelection in Kentucky, Senator Earle Clements told me that he had been sharply attacked because, as assistant Democratic floor leader, he had performed the purely automatic task of presenting Senator EASTLAND'S name for chairman of the Judiciary Committee, a promotion governed by the long-enduring seniority system. This was used effectively among the not inconsiderable colored vote in Louisville, although Senator Clements had been a backer of legislation to safeguard civil rights.

Nor, at the national level, can Democrats ignore the facts highlighted by Richard L. Lyons of the Washington Post and Times Herald, when he wrote last November: "Election returns made it evident there had been a significant Negro Presidential voting switch away from the Democratic Party standard bearers, with whom they had been allied since Franklin D. Roosevelt's day * * *. In every city surveyed, President Eisenhower won a larger percentage of the Negro vote then he did in 1952."

What are the chances of healing the Democratic cleavage over this burning issue? And, barring a thorough rapport within the party, how can the Democrats recover politically from a breach that has widened ever since the Supreme Court verdict in the school-segregation cases?

I believe these events are necessary in order to attain such results:

1. Civil-rights legislation must be enacted. Without this basic prerequisite, the controversy will smolder indefinitely within the halls of Congress—and particularly inside the Democratic Party. Southern Democrats, while expressing to the full their legitimate views, must refrain from using a filibuster to prevent perpetually a vote in the Senate on civil rights. Not only is this legislation needed and merited, but unless Southern Senators are willing to forego stalling tactics and interminable debate, the Democratic Party eventually could be wracked to pieces.

2. Northern Democrats—at least until their numbers in the Senate are appreciably greater than at present—must accept gracefully as leader of the party in the upper chamber someone like LYNDON B. JOHNSON, of Texas, who represents a composite of Democratic Senators and who is close to the southerners on the issues which move them most emotionally. Insistence by some northerners on a Senate leader farther to the left, while perhaps not as divisive a force as the adamant southern antagonism to civil rights, nevertheless contains real elements of peril for a united and cohesive party.

3. Northern and southern Democrats alike, once the breach is even slightly closed, must dramatize for the country that there never would have been substantial economic gains either for Negroes or for whites if Republican policies on social welfare had dominated the Nation during the past quarter of a century.

The first two of these proposals require a certain modest degree of accommodation by both sides to the simmering strife over civil rights and related matters in the Democratic Party. Yet I think the compromises involved are reasonable.

As for the Democratic liberals—on one recent intraparty division along liberal-conservative lines, we liberals from both North and South could muster only 20 of the 49 Democratic Members of the Senate. When our Members are considerably less than half of the total, how valid a right do we have to object to a leader who symbolizes more of a cross section of party membership in the Chamber? I would calculate that LYNDON JOHNSON stands quite a few notches closer on the political spectrum to Senator PAUL H. DOUGLAS than to Senator EASTLAND, and I doubt if we liberals have a bona fide case at present against a Senate leader who thus synthesizes the views of the men from whom his authority stems.

But suppose the southern Democrats do not consider this northern concession a sufficient quid pro quo for abandoning their right to filibuster civil-rights legislation? The northern Democratic Senators are not helpless; they hold some trump cards, too. I always have felt they could announce to their southern colleagues that an opportunity to ballot unimpeded on effective civil-rights legislation was going to be the consideration for continued northern support of a Senate organized by the Democratic Party.

After all, under the inexorable seniority rule, most of the committee chairmanships belong to southerners when the Democrats form a majority of the Senate's membership. They have the choice seats at the head of the green felt tables, control of the selection of committee staffs and the scheduling of bills, the gleaming limousines and the other perquisites. They would lose these emoluments if the northern Democrats abstained from contributing the votes necessary to Democratic control of the Senate.

It is one of the political ironies of our era that the Democrats from the North must wage the most desperate battles against their generously financed Republican foes, but to the Democrats from the one-party South go the chairmanships and the prestige posts in the Upper Chamber. While it may be presumptuous for a Senate tyro to voice such a prediction, I prophesy there might be a rollcall vote at last on civil rights if the northern Democrats sought this in return for supplying the numerical strength to make possible continued Democratic titular supremacy when the Senate is organized.

Nor do I regard such a bargain as improper. No southern Senator would be asked to surrender his honest convictions and beliefs, but merely to forego the use of essentially undemocratic Senate rules which block majority action on civil-rights legislation.

My third proposal was that northern and southern Democrats must join in dramatizing Democratic liberalism. One of the main reasons the Democratic Party is in trouble nationally is a widely held belief that, under its current leadership, it is losing out on liberal issues to the Eisenhower Republicans. Many of my constitutents have recently expressed the disgruntled viewpoint that the Senate Democratic spokesmen are to the right of the political figures who describe themselves as modern Republicans. This notion, prevalent though it may be, is far from the actual truth—but I must confess that we Democrats have done an ineffective job of countering propaganda about so-called modern Republicanism.

In fact, on many basic domestic issues—expansion of social security, custodianship of natural resources and taxation predicated on ability to pay, to name only three—the supposedly conservative Senate leadership of the Democratic Party has been markedly more liberal than prominent symbols of "modern" Republicanism on the other side of the aisle. On almost all issues except those embodying the general problem of civil rights, the vast majority of Democrats in the Senate are conspicuously to the left of the Eisenhower Republicans. This does not mean all such Democrats are invariably liberal per se, but rather than they are favored greatly by the contrast in economic outlook between themselves and most of their GOP colleagues. Whatever may be the faults of the Democratic Party, they are trivial when compared with the indifference of its principal competitor to the continuing need for fairness and justice in our social and economic structure.

It is for this compelling reason that I believe the Democratic Party must not crack apart into a Northern and a Southern faction. Such a break would only surrender the Government of the United States to the Republicans, virtually by default, for far into the future. The opposing forces in the civil-rights controversy must resist the temptation to go their separate ways.

As a Northern liberal, I often feel that I would prefer to be in a separate party in the Senate, rather than anchored in any fashion

to fellow party members who are so stubbornly determined to block civil-rights laws. Perhaps my Southern colleagues—equally rooted in their differing views—may occasionally harbor similar thoughts. But then I peer across the center aisle at our Republican rivals: people sincerely convinced of the rightness of their attitudes, but militantly against the legislative correctives and palliatives which are so necessary to help the less favored and less fortunate in an economic system such as ours. And I realize that both the Democratic North and South will have to give ground so that the political party can endure which conquered the depresssion, mobilized the victorious war against the Axis and took the heroic but politically hazardous steps in Korea to curb aggressive communism.

If it is to fulfill its challenging mission of advancing liberalism, the Democratic party must overcome the civil-rights crisis which has cost it so dear in recent elections. Failure to accomplish this could be fatal to the party and, more important, lastingly detrimental to the Nation.

H. R. 11 Would Operate Against Monopolization of Oil Industry by International Oil Combines

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, July 5, 1957

Mr. PATMAN. Mr. Speaker, heretofore I have referred to propaganda distributed by representatives of the international oil combines in opposition to H. R. 11. On January 28 I placed in the CONGRESSIONAL RECORD at page 1034, on January 29 at page 1219, and again on February 5 at page 1570, quotations from and citations to documentary evidence of a false front lobbying campaign which had been planned and organized by the international oil combines against H. R. 11. Since then the Antitrust Subcommittee of the Committee on the Judiciary, United States Senate, has held extensive hearings dealing with that subject and has more fully documented the evidence on that point.

Until we analyze the situation, it is difficult to understand the reasons why the international oil combines and other major oil companies associated directly with them have gone to such lengths in their opposition to H. R. 11. However, once we look into the matter, then their reasons are perfectly clear. They want to gain a complete monopoly control over our domestic oil industry as they have gained monopoly control over the international oil trade. Standing in the way of that accomplishment are the independent producers, refiners, and distributors in our great American petroleum industry.

There is a means by which these giant international oil combines can destroy the independent producers, refiners, and distributors of our domestic petroleum industry. That means is the use of the practice of price discrimination. H. R. 11 would curb the practice of price discrimination. Therefore, the giant international oil combines oppose it.

Recently I wrote Mr. Gordon M. Robb, of Houston, Tex., a letter in which I pointed out the dangers in allowing these giant international oil combines and those associated with them to continue the practice of price discrimination. I believe that the Members may be interested in reading the letter I wrote to Mr. Robb because in it I have tried to dispel some of the misinformation and clear up some of the misunderstandings about H. R. 11. That letter is as follows:

APRIL 29, 1957.

Mr. GORDON M. ROBB,
Houston, Tex.

DEAR MR. ROBB: I thank you for writing me on April 22, 1957, about H. R. 11 to amend section 2 (b) of the Robinson-Patman Act.

Your interest in this proposed legislation is appreciated. It does appear, however, that someone has misinformed you concerning the possible effects of this proposed legislation on various methods of doing business.

Enclosed is a copy of H. R. 11. It is a simple and modest proposal. You will note that it provides that the "good faith" meeting of competition shall be a complete defense to a charge that a seller has unlawfully discriminated in price unless the effect of the discrimination would be to substantially lessen competition or tend to create a monopoly.

The reason why we must have a law to curb price discrimination is that without such a curb big competitors destroy small competitors without respect to efficiency or other merits, and the result is that all business tends to end up in a monopoly.

By discriminating in price, a big seller may destroy his smaller competitors even when all competitors receive their supplies at the same price and have the same unit operating cost. But when discrimination is a general practice in business, the bigger competitors receive another unearned advantage in the price they pay for supplies, and they almost inevitably use this advantage to destroy smaller competitors.

Some of us thought that we had solved this problem and had placed some reasonable limits on price discrimination by passage of the Robinson-Patman Act in 1936. But the majority opinion of the Supreme Court in the Standard Oil (Indiana) case drove a serious loophole into the law. According to this opinion, a seller is justified in discriminating in price as between his competing customers, when he is meeting the price offered by a competitor to one of those customers no matter to what extent competition may be destroyed.

H. R. 11 simply says that such discriminations will not be permitted where the effect may be, in the language of the bill, "substantially to lessen competition or tend to create a monopoly."

If we do not have effective laws against monopoly and against unfair methods of creating monopoly, countless small businesses will be needlessly destroyed, and, in fact, the whole country will be hurt by high prices, low production, unemployment, and slow progress.

The fully integrated major oil companies with international connections and facilities are among the worst offenders against our antitrust laws. They, as the Standard Oil Company of Indiana, have utilized the practice of price discrimination to eliminate independent oil producers, refiners, and distributors.

Recently I had some research done regarding the decline in the number of active and inactive oil refining companies in the United States. In that connection it was found that in 1920 the number of such companies totaled 274. In 1950 the total number of active and inactive small refining companies had dropped to 193. I am informed that at the end of 1955 the total number of refinery companies stood at 179. Included in that are the 30 major integrated, international oil combines. Thus, the total of independent refinery companies in the United States at the end of 1955 stood at 149. That number is growing smaller.

Thus, you can see that if the trend to monopoly based on monopolistic practices such as price discrimination and other factors continues, it will not be long before independent oil producers will have no independent oil refineries as markets for their products. The international major oil companies will constitute the only markets. Then the prices the independent oil producers will receive will be the prices the international oil companies decide they wish to pay.

In view of these circumstances I am not surprised that the opposition to H. R. 11 and to other proposals to strengthen the laws against monopolistic price discriminations has been led by the major oil companies. I have made some speeches on the floor of the House about this. Enclosed for your information is a reprint of some of these recent statements.

I trust that this information will be found to be responsive to your inquiry of April 22.

With best wishes and kind regards, I am,

Sincerely yours,

WRIGHT PATMAN.

SENATE

MONDAY, JULY 8, 1957

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, our Father, Thou searcher of men's hearts, from whom no secrets are hid: At this beginning of a new week of counsel, help Thy servants in the ministry of public affairs to draw near to Thee in tranquillity, in humility, and sincerity. With Thy benediction upon them, may they face the thorny problems of our national life with honest dealing and clear thinking, and with hatred of all hypocrisy, deceit, and sham.

Save us from lowering the shield of national solidarity by divisive policies in a perilous hour. May we close our national ranks in a new unity, as powers without pity or conscience seek to destroy the birthright of our liberty of worship and speech and the sanctity of the individual. In all our thinking, help us to keep step in the ranks of those who do justly, love mercy, and walk humbly with Thee, our God. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Journal of the proceedings of Wednesday, July 3, and Friday, July 5, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that